

HB 1393 - AS INTRODUCED

2022 SESSION

22-2675

10/11

HOUSE BILL

1393

AN ACT relative to the adoption of school district budget caps.

SPONSORS: Rep. Pauer, Hills. 26; Rep. Ammon, Hills. 40; Rep. Greene, Hills. 37; Rep. Hill, Merr. 3; Rep. Hobson, Rock. 35; Rep. Post, Hills. 4; Rep. Silber, Belk. 2; Rep. Andrus, Merr. 1; Sen. Gannon, Dist 23

COMMITTEE: Municipal and County Government

ANALYSIS

 This bill establishes the requirements for and procedure for the adoption of a school district budget cap.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to the adoption of school district budget caps.

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

1 1 New Sections; Municipal Budget Law; School District Budget Caps. Amend RSA 32 by
2 inserting after section 5-c the following new sections:

3 32:5-d School District Budget Cap. Upon adoption under RSA 32:5-e, the following shall apply:

4 I. In a school district that has adopted this section, the total amount raised and
5 appropriated for the fiscal year, as shown on the budget certified by the school board or the budget
6 committee and posted with the warrant for the annual meeting pursuant to RSA 32:5, shall not
7 exceed a specified dollar amount times the average daily membership of the school district as of
8 October 1 of the year immediately preceding the proposed budget year as reported to the department
9 of revenue administration plus an amount for an annual increase for inflation.

10 II. The annual increase for inflation shall be either a fixed percentage, including zero, or an
11 inflation index published by the U.S. Bureau of Labor Statistics.

12 III. The legislative body may override the budget cap by the usual procedures applicable to
13 annual school meetings of the legislative body, provided that when a proposed appropriation will
14 cause the total amount raised and appropriated to exceed the budget cap or the total amount already
15 raised and appropriated has exceeded the budget cap, voting on the appropriation question shall be
16 by ballot, but the question shall not be placed on the official ballot used to elect officers, except in the
17 case of a legislative body that uses an official ballot form of meeting under RSA 40:13 or under a
18 charter adopted pursuant to RSA 49-D. If a 3/5 majority, or the supermajority as determined under
19 a charter pursuant to RSA 49-D, of those voting on the question vote "yes," the appropriation is
20 approved. Only votes in the affirmative or negative shall be included in the calculation of the 3/5
21 majority or the supermajority as determined under a charter pursuant to RSA 49-D.

22 IV.(a) For warrant articles proposing bonds, notes, or other multi-year expenditures, only
23 the first-year estimated costs shall be used in counting appropriations for the budget cap.

24 (b) When using the official ballot form of meeting under RSA 40:13, if the warrant
25 article for the operating budget results in appropriations exceeding the budget cap and receives less
26 than 3/5 majority "yes" vote, the adopted operating budget shall be reduced by appropriations
27 already raised to remain compliant with the budget cap.

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

1 (2) For school districts using a traditional meeting and when the outcome of the SAU
2 budget vote is pending on balloting from the other school districts, the higher of the school district's
3 assigned portion of the proposed SAU budget or the school district's assigned portion of the adjusted
4 SAU budget shall be assumed as raised and appropriated for the purpose of determining when the
5 override provisions under paragraph III apply.

6 32:5-e Adoption of School District Budget Cap.

7 I. The provisions of RSA 32:5-d may be adopted by any school district in the state whose
8 legislative body raises and appropriates funds through an annual meeting. A 3/5 majority of those
9 voting on the question shall be required to adopt the provisions of RSA 32:5-d. Only votes in the
10 affirmative or negative shall be included in the calculation of the 3/5 majority.

11 II. The question shall be placed on the warrant of the annual or special meeting by the
12 school board or by petition under the procedures set out in RSA 197:2 or 197:6.

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

19 IV. The wording of the question shall be: "Shall we adopt the provisions of RSA 32:5-d, and
20 implement a budget cap whereby the school board (or budget committee) shall not submit a
21 recommended budget that is higher than ___ dollars times the average daily membership of the
22 school district as of October 1 of the year immediately preceding the proposed budget year plus a ___
23 annual increase for inflation. Requires a 3/5ths majority of the school district." Alternatively, if an
24 inflation index is used, the wording of the question shall be: "Shall we adopt the provisions of RSA
25 32:5-d, and implement a budget cap whereby the school board (or budget committee) shall not
26 submit a recommended budget that is higher than ___ dollars times the average daily membership of
27 the school district as of October 1 of the year immediately preceding the proposed budget year plus
28 an annual increase for inflation using (the index) published by the U.S. Bureau of Labor Statistics as
29 of January 1. Requires a 3/5ths majority of the school district."

30 V. Voting on the question shall be by ballot, but the question shall not be placed on the
31 official ballot used to elect officers, except in the case of a legislative body that uses an official ballot
32 form of meeting under RSA 40:13 or under a charter adopted pursuant to RSA 49-D. Polls shall
33 remain open and ballots shall be accepted by the moderator for a period of not less than one hour
34 following the completion of discussion on the question. If a 3/5 majority of those voting on the
35 question vote "yes," RSA 32:5-d shall apply within the school district beginning with the following
36 fiscal year and for all subsequent years until it is rescinded as provided in paragraph VI.

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1 VI. Any school district which has adopted RSA 32:5-d may consider rescinding its action in
2 the manner described in paragraphs I through V. The wording of the question shall be: "Shall we
3 rescind the provisions of RSA 32:5-d, known as the school district budget cap, as adopted by the
4 (school district) on (date of adoption), so that there will no longer be a school district budget cap limit
5 on the amount raised and appropriated?" A 3/5 majority of those voting on the question shall be
6 required to rescind the provisions of this section, except in the case of repeal by charter enactment
7 under RSA 49-D. Only votes in the affirmative or negative shall be included in the calculation of the
8 3/5 majority.

9 2 Effective Date. This act shall take effect 60 days after its passage.