SCHOOL ADMINISTRATIVE UNIT 50

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Rye Junior High School
501 Washington Road
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(603) 964-5591
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To: Rye School Board

From: Susan Penny, Business Administrator, SAU#50

Date: October 16, 2026

RE: RSA 32:5-I (HB1300)

HB 1300 inserts a new subsection in RSA 32 (32:5-i) entitled "School District Tax and School Administrative Fixed Cap on Central Office Administrative Budget". It requires that in November 2026 and November 2028 during the general election the following question be placed on the ballot:

"**Shall the Town of Rye limit property tax growth for Rye School District under RSA32:5-i? If adopted for a two-year period: (1) the local property tax levy may not grow beyond the prior year's amount, adjusted for inflation and new construction; (2) SAU central office spending may not exceed 6% of total school district appropriations; and (3) bonded capital costs are excluded from both limits.** *These caps apply only to administrative operations of the SAU central office and do not affect classroom instruction, school-based services, or other municipal expenditures.* **These limits may be overridden as proved in RSA 32:5-i. Adoption requires a three-fifths (3/5) majority vote."**

What does a yes vote mean:
Any community where 60% of the voters approve the above question will be legally limited in the amount of local property taxes that may be raised for the school district.

What does a No vote mean:
Communities will vote on school budgets as in previous years with no cap on the amount of local property taxes that may be raised for the school district.

What does this mean for Rye School District:

For FY27:
$737, 956 (based on a CPI of 3.2%) would have been cut from the current school budget. The FY27 budget was only 2.1% ($398,401) including WA for $100K for architectural study) higher than FY26 budget. Tough decisions would have been made.

For FY28:
FY28 budget could increase approximately $580,769 (based on a CPI of 3.6%) from FY27. This would be an approximate 3% increase from the FY27 budget.

Guidance from DOE (Department of Education) and DRA (Department of Revenue) is still needed for: Source of CPI and the calculation of new net property growth.