



Timberlane Regional School District Minutes

Type of Meeting	Tax Cap Subcommittee
Date	August 13, 2025
Facilitator	Justin Krieger
Attendees	Justin Krieger, Alyssa Kowalczyk, Marianne Springer, Elizabeth Kosta, Maria Watkins, Lou Broad, Laurie Herchenroder, Shawn O'Neil, Bill Coye, Sierra Dolce, Chris Tardiff Absent: Karen White
Agenda	Previously disseminated and posted online.
Notetaker	Marianne Springer

Call to order at 6:01 pm
Approval of minutes from 7/17/25
Motion to <i>Approve</i> by: Shawn O'Neil Seconded by: Lou Broad
10 in favor; 0 opposed; 1 abstention

TOPIC: Other District Experiences Research and Follow-Up Questions	
Discussion:	Sierra Dolce presented for Hollis-Brookline. Alyssa Kowalczyk presented for Newfound. Maria Watkins provided state tax cap overview information
2 School Districts who currently have tax caps: Hollis-Brookline (Brookline only) and Newfound. Additionally, cities/towns with tax caps are: Alstead, Franklin, Middleton, Nottingham, Somersworth and Haverhill. - Newfound District has had a 2% tax cap since 2012. A warrant to rescind the tax cap failed this year. There have been several override requests, some have been approved, others not. Staff is on a one-year contract and there was a recent RIF of 8 positions. - Hollis-Brookline has an 8% tax cap. Brookline had a tax cap, Hollis did not. There was a new warrant article for an additional \$350,000 which was greater than the tax cap of \$230,000. Teachers are on year 2 of a three-year contract, so the current tax cap was not a concern this year, however there is a concern within the union about retention as they approach negotiations. They have had surpluses and have not needed to override the tax cap. One elementary school left the district about 2 years ago. - Both of these districts have budgets near \$30 million, which is around $\frac{1}{3}$ the size of the Timberlane budget. Also noted that these tax caps precede current legislation so are not directly comparable.	
Conclusions:	



Timberlane Regional School District Minutes

Action Items	Person Responsible / Deadline
Followup Questions: How many times has either district tried to rescind the tax cap? How many overrides have been requested? Pass or fail? By how much? How large were the override requests and for what purposes? What are the annual budgets voted in vs actual spent since tax cap implemented? Why did the other schools in these districts leave recently? Was it related to the tax cap? Teacher retention rates since tax cap was initiated? Have staff contracts been affected by tax cap? How many teacher positions have been eliminated every year since tax cap was initiated? Additional Information: Approach superintendents and business administrators to open additional channels of communication.	Other Districts subgroup Justin Krieger, Maria Watkins

TOPIC: TRSD Fiscal Group Research and Follow Up Questions		
Discussion:	Maria Watkins presented a spreadsheet with tax cap calculations and then there was a general discussion.	
Maria Watkins presented calculations applying a 2.5% tax cap using the calculations prescribed by the new RSAs to the past three fiscal years’ budgets. She also used some hypothetical projections for the upcoming fiscal year budget. Two types of calculation methods are permissible. Both methods use the current year’s tax apportionment as the base, not the full budget. Except for the current fiscal year’s budget, the actual budget increases were higher than the allowances under either tax cap method. The cap for the upcoming fiscal year budget resulted in caps that were approximately \$2 million below the already negotiated salary increases. Beyond that amount, there would be additional salaries resulting from CBAs that are entering negotiations now and regular operating expense increases. Highlights: These methods are tax caps, not budget caps. The revenue component of the budget is unpredictable and not within district control. Changes could occur after the budget process and voting. This increases the uncertainty and risk associated with a tax cap. The increases allowed by these tax cap calculations could easily be absorbed by small changes in Special Education requirements. For example, out of district placements are now charging tuition plus a la carte pricing on mandated services, and the district cannot negotiate those costs.		
Conclusions:	If a tax cap warrant were in place and the contractual salary obligations exceeded the tax cap allowance, the operating budget would need to be reduced by that amount.	
Action Items		Person Responsible / Deadline



Timberlane Regional School District Minutes

Follow Up Questions: Could a tax cap warrant article be changed from one method to the other at deliberative session?	Legal group
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TOPIC: Legal Group Research and Follow Up Questions	
Discussion:	Justin Krieger provided copies of updates to RSA 32:5 and budget and tax cap legislation updates effective September 2025 and then presented highlights from the discussion with our attorney.
• The percent cap is on the raised taxes, not on the total budget. • An override of the tax cap requires a three-fifths (⅔) majority. • The total amount of all warrant articles with a tax impact cannot exceed the tax cap. • The only method for exceeding the tax cap would be changes made at the deliberative session. • If increased amounts from warrants exceed tax cap and receive more than three-fifths of the vote, the operating budget would need to be reduced back to meet the tax cap.	
Conclusions:	The size of the operating budget would have increased uncertainty if a tax cap were in place.
Action Items	Person Responsible / Deadline
Follow-Up Questions Hypothetically, what would negotiations look like if there were a tax cap? What is the impact on the default budget? What happens to the operating budget if a CBA fails? If warrants get changed at deliberative to exceed the tax cap, what would require a three-fifths majority (override) and what would happen if there is a majority but not a three-fifths majority?	Lou Broad (volunteered) Legal Group

TOPIC: Remaining Meeting Calendar	
Discussion:	
• We have some additional questions for the subgroups to research and provide updates at the next meeting. • We should be ready to begin crafting a message to the school board presenting the information that we have gathered. • What mechanisms are in place for managing and controlling budget increases? • We should meet in early September to achieve the timeline of reporting to the School Board in October.	
Conclusions:	Next meeting scheduled for September 10, 2025 at 6 pm.
Action Items	Person Responsible / Deadline



Timberlane Regional School District Minutes

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Observers	None
Resource Persons	N/A
Adjournment	7:19 pm