

SCHOOL FUNDING TALKING POINTS

The NH Constitution sets two core requirements for K-12 public education:

- **The State has a duty to pay for the cost of a constitutionally adequate education for every K-12 public school student;**
- **The taxes that the State uses to pay for this education must have a uniform rate across the state.**

The State Legislature has enacted comprehensive standards for an adequate education, but the amount of aid the State provides to meet these standards is woefully insufficient. While the average annual per pupil cost was \$15,865 in the 2017-2018 school year, the State's main "adequacy grant" provides only \$3,636 per year, with small additional grants for children who qualify as from low-income families, receive special education, or are English language learners. Some school districts receive "stabilization grants," although these grants are being reduced by 4% each year. Even when all of these state grants are added together, the State pays only about 20% of the cost of education in New Hampshire.

More than 70% of the cost of educating our children is paid by local property taxpayers at tax rates that are wildly disproportionate from town to town. For example, in the 2017-2018 school year, the Rye School District spent \$23,123 per pupil, while the total equalized rate of state and local school property taxes was only \$5.85. In Pittsfield, the per-pupil spending was \$16,161, but the combined education tax

rate was \$19.89. This great disparity occurs because the equalized value of property in Rye in 2017 was \$3,816,244 per student, but in Pittsfield the equalized value per student was only \$469,344.

Towns with a great deal of valuable property ("property wealthy") can raise enough money to spend generously on their students, even while their tax rates remain low.

Because of the great disparities in property wealth from town to town, taxpayers in the property poor towns like Pittsfield pay much higher rates but are able to raise much less for their schools than districts with lake-front property, ski resorts, or very valuable coastline.

Taxpayers in property-poor towns make much greater financial sacrifices for their students, but they struggle to raise enough money to meet their schools' basic needs. In recent years, many of these school districts have been laying off teachers and other employees, delaying building maintenance, skimping on equipment, eliminating classes, and losing talented and experienced teachers to other districts which can afford to pay higher salaries.

This funding system discourages economic growth in many towns and cities across the state. Why would a new business open in a town with high tax rates? And, why wouldn't the owner of an existing business in a property-poor town with high tax rates feel financially pressured to relocate?

The funding system also discourages young families from moving to school districts with

high property taxes and struggling school systems, and it prompts local officials to discourage the creation of affordable workforce housing for young families because of the impact of additional children on school budgets.

The current school funding system hurts students, their parents, local homeowners, and businesses and it works directly against the efforts to attract and keep young people, enlarge the work force, and encourage new businesses in all regions of the state.

A number of school districts are already in crisis, with many more to follow. This problem is harming school budgets and pushing up school property tax rates in New Hampshire's largest cities and countless towns in all regions of the state.

For more than a decade, the Legislature and NH's governors have allowed this problem to get worse. In fact, they have continued to downshift costs by reducing stabilization aid and discontinuing pension contributions.

As the 2019 NH Legislative Session gets underway, we must raise the issue of school funding and property taxes with our local NH House members and State Senators, as well as with the Governor.

SAMPLE QUESTIONS TO ASK OUR ELECTED OFFICIALS

- *Will you support legislation to require the State to update its adequacy grants to realistic levels?*
- *Will you support legislation that will make school property tax rates more fair and equal across the state?*
- *As an immediate measure, will you support a moratorium on further cuts to stabilization aid and restoring the amount that has been cut since 2015?*
- *Will you work to build coalitions with legislators from other parts of the state to increase state support for public education and enact fair and equitable revenue measures to fund our schools?*

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For updates and the scheduling for future forums, please connect with Advancing NH Public Education at <https://anhpe.org/>