

TO: Members of the press and the public
FROM: New Hampshire School Funding Fairness Project
DATE: February 11, 2021
RE: Response to Governor Sununu's Budget Address

In his speech earlier today, Governor Sununu expressed his commitment to New Hampshire's public school system, but the budget he has proposed falls well short of what local schools need to be able to serve the students in their communities.

Most immediately, due to the pandemic and changes in law, cities and towns are bracing for a nearly \$90 million decline in state education aid in the coming year. Legislation now under consideration in the Senate and the House of Representatives would, at worst, cut that gap in half or, far better, eliminate it altogether. Yet, the budget plan Governor Sununu has put forward likely addresses only one out of four sources of that decline. Based on an initial review of the Governor's budget, total state education aid would fall by more than \$100 million between the current biennium and the next if his plan were to become law.

In addition, while the Governor discussed at length his recommendations for cutting taxes, he largely ignored the tax that is front and center in people's minds and that is a source of tremendous inequity in our state: the property tax. State government can and must provide property tax relief to struggling Granite State families. Just as pending legislation for protecting school budgets from the pandemic is out ahead of the Governor's spending plan, so too would bills now before the House make great strides in reducing school property taxes for low- and moderate-income homeowners. Such efforts to offer greater property tax relief would be far better for New Hampshire's families and economy than the tax initiatives the Governor now backs.