

KEY POINTS ON HB 623

HB 623 prevents widespread declines in state education aid.

- Without legislative action like HB 623, communities across New Hampshire will lose close to \$90 million in state education aid next year.
- In more than 20 communities, the potential loss of education aid is the equivalent of a property tax increase of \$2 per \$1,000 of home value – or higher.
- The communities that would need to resort to the largest property tax increases are the ones that are least able to bear them. For example, Berlin would need to raise property tax rates by more than \$4 per \$1,000 if it had to make up for lost state aid.

HB 623 preserves the important progress that was made in strengthening school funding in the current budget.

- Legislators made the right decision to direct additional aid to communities serving low-income children and to provide fiscal capacity disparity aid to communities with low property values. Those new forms of aid brought nearly \$60 million to struggling schools this year.
- By ensuring that state education aid for FY 2022 and FY 2023 doesn't fall below current levels, HB 623 allows these new forms of aid to keep doing the job they were intended to do – providing our children with a quality education and investing in New Hampshire's future.

HB 623 helps to protect school finances from the impact of the COVID-19 pandemic.

- As a result of the pandemic, the counts of students used to calculate state education aid have been dropping – but those declines are temporary. Student counts will certainly rebound as the pandemic passes and the 2021-22 school year gets underway.
- HB 623 makes sure that schools don't suffer a loss of education aid just as those students are coming back school. Children have had a hard enough time during the pandemic; they shouldn't return to larger class sizes or few opportunities next fall.

Students, families, schools, and communities continue to grapple with the consequences of the COVID 19 pandemic. Now is the not the time to let state education aid fall.