

NH SCHOOL

Funding Fairness Project

***Advocating to make
school funding more equitable
for students and taxpayers alike***



School Funding and Property Taxes

- The current system is unconstitutional.
- Taxpayers and students are not treated equitably or fairly.
- Granite Staters want this system to be changed.



The New Hampshire Supreme Court's decisions in the Claremont case re-established two fundamental responsibilities:

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



The Constitutional Standard for Using Property Taxes for School Funding

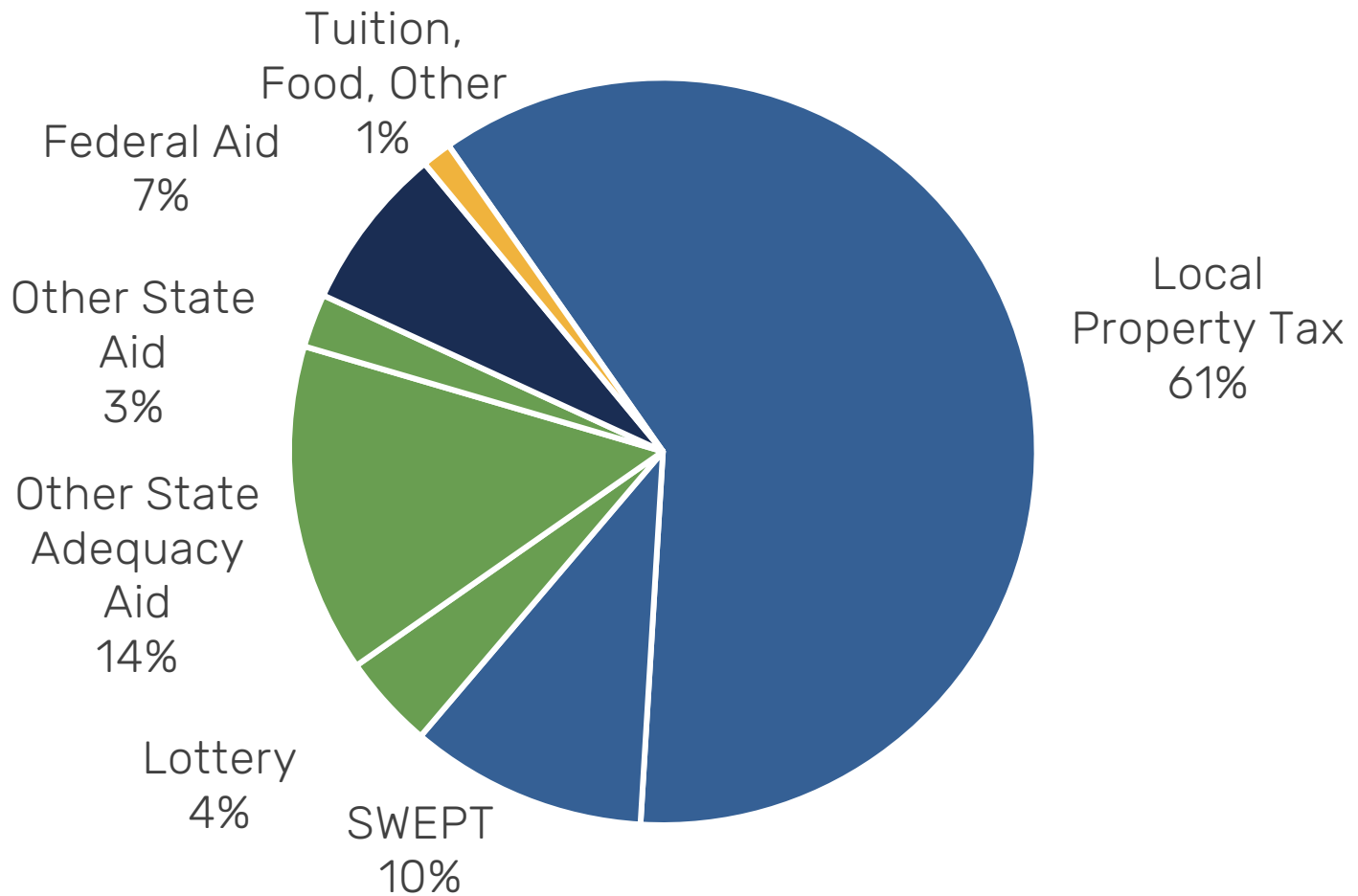
“To the extent that the property tax is used in the future to fund the provision of an adequate education, the tax must be administered in a manner that is equal in valuation and uniform in rate throughout the State.”

Claremont II, 142 N.H. at 471



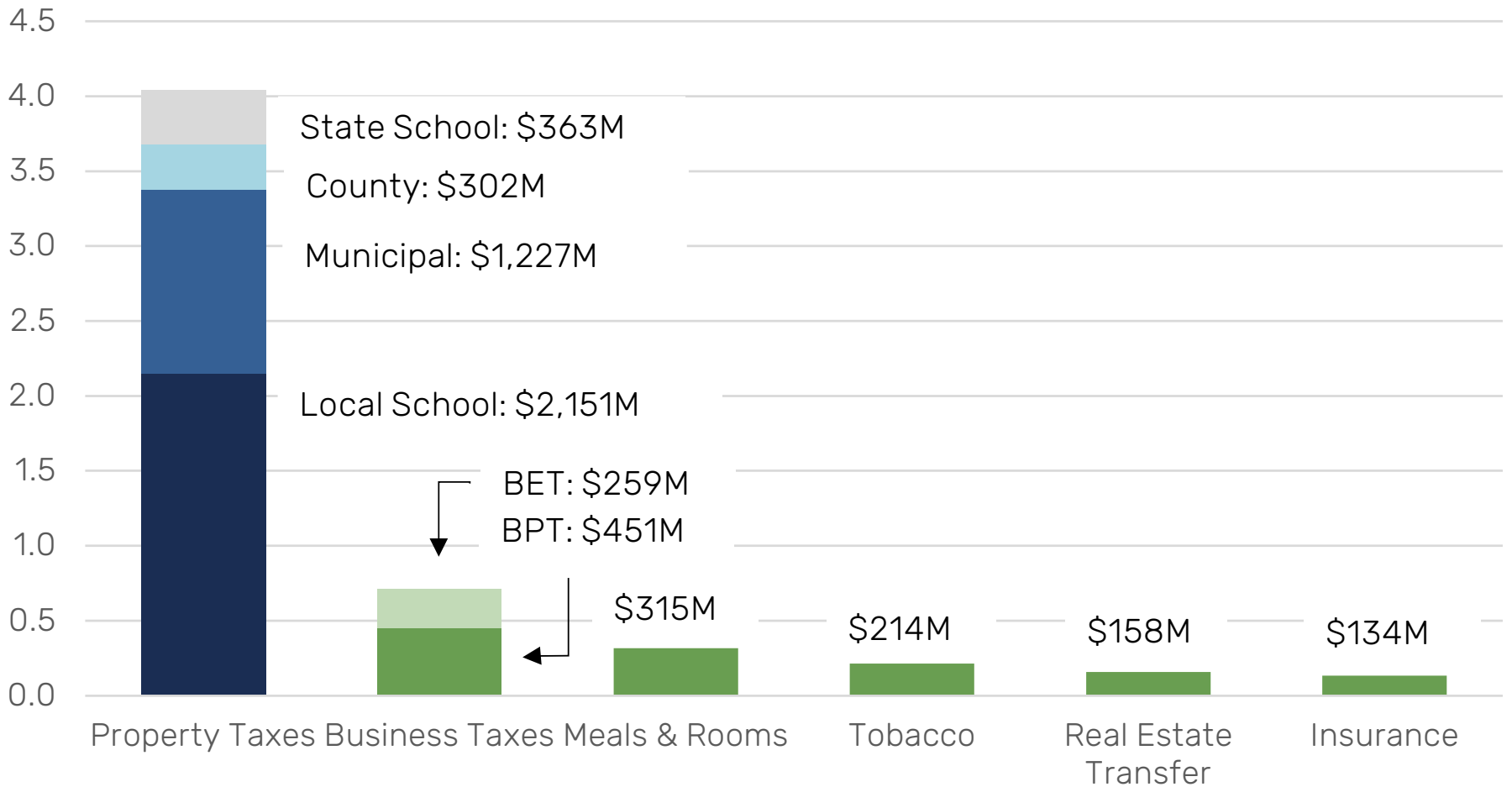
2020-21 Revenue of NH School Districts

\$3.54 billion



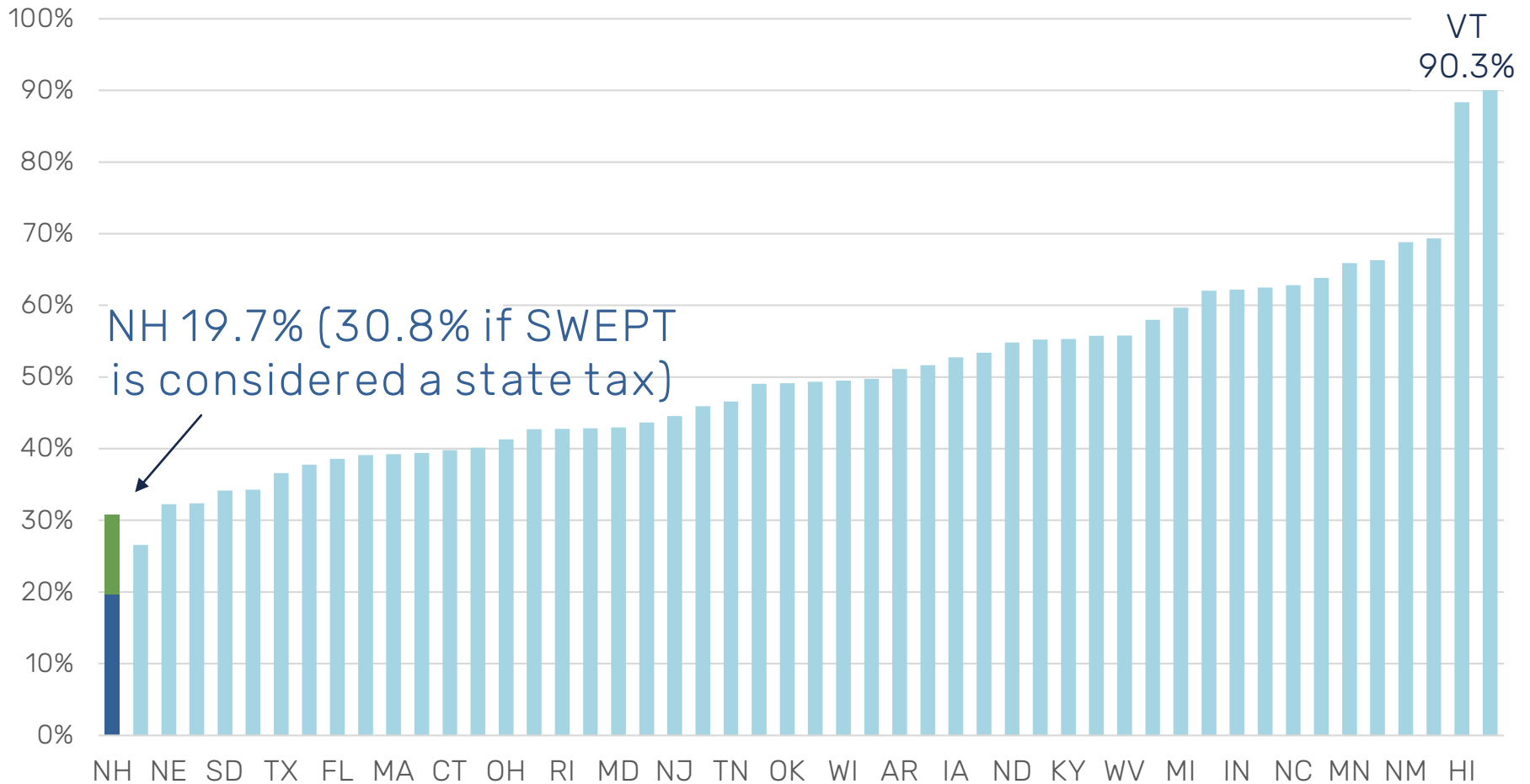
The Property Tax is the Largest Tax in NH

Tax revenue by source, 2020 (all figures in \$million)



State's Share of School Funding in NH is the Smallest in the Country

Percent of school revenue from state sources, 2018-19



The key concept for
comparing school tax rates:
Equalized value per pupil

How much property value
is available in a town
to be taxed to support
each student's education?



Role of Property Taxes & Resulting Inequities

It's simple math.

Property Value	School Tax Rate (Per Thousand)	School Funding Revenue Raised
\$1,000,000	\$10.00	\$10,000
\$400,000	\$10.00	\$4,000



Role of Property Taxes & Resulting Inequities

It's simple math.

Property Value	School Tax Rate (Per Thousand)	School Funding Revenue Raised
\$1,000,000	\$10.00	\$10,000
\$400,000	\$25.00	\$10,000



Sizable Disparities in School Property Taxes Too

Equalized Valuation and Tax Rates, 2020-2021

Town	Pupils	Equalized Value Per Pupil	Equalized School Tax Rate	Amount Raised Per Pupil
Moultonborough	429	\$8,987,902	3.59	\$32,267
Meredith	692	\$3,537,578	8.08	\$28,584
Portsmouth	2,117	\$3,399,350	6.10	\$20,736
Sanbornton	316	\$1,864,160	10.22	\$19,052
New Hampshire	166,261	\$1,346,793	11.21	
Manchester	13,021	\$992,971	8.43	\$8,371
Belmont	977	\$893,868	13.22	\$11,817
Franklin	1,003	\$805,637	7.20	\$5,801
Newport	792	\$649,873	15.47	\$10,054
Claremont	1,609	\$523,285	20.37	\$10,659



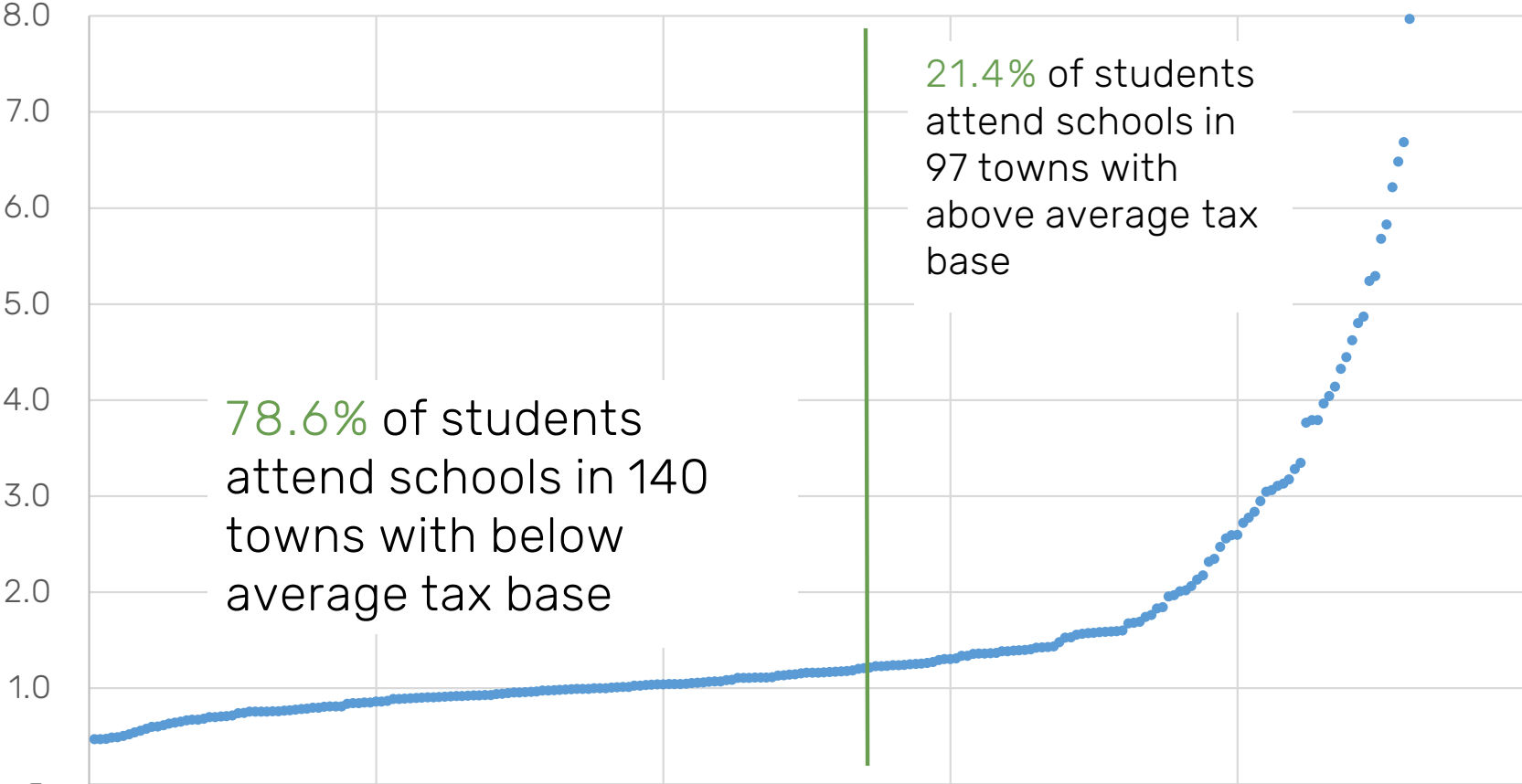
2020-21 School Tax Rate Variations within Pemi-Baker Cooperative School District

	Equalized Value Per Pupil	Combined Education Tax Rate	Tax on \$300,000 Home
Plymouth	\$942,652	\$13.69	\$4,107
Campton	\$1,122,326	\$15.25	\$4,575
Holderness	\$4,754,006	\$6.90	\$2,070
Waterville Valley	\$5,469,546	\$3.33	\$999



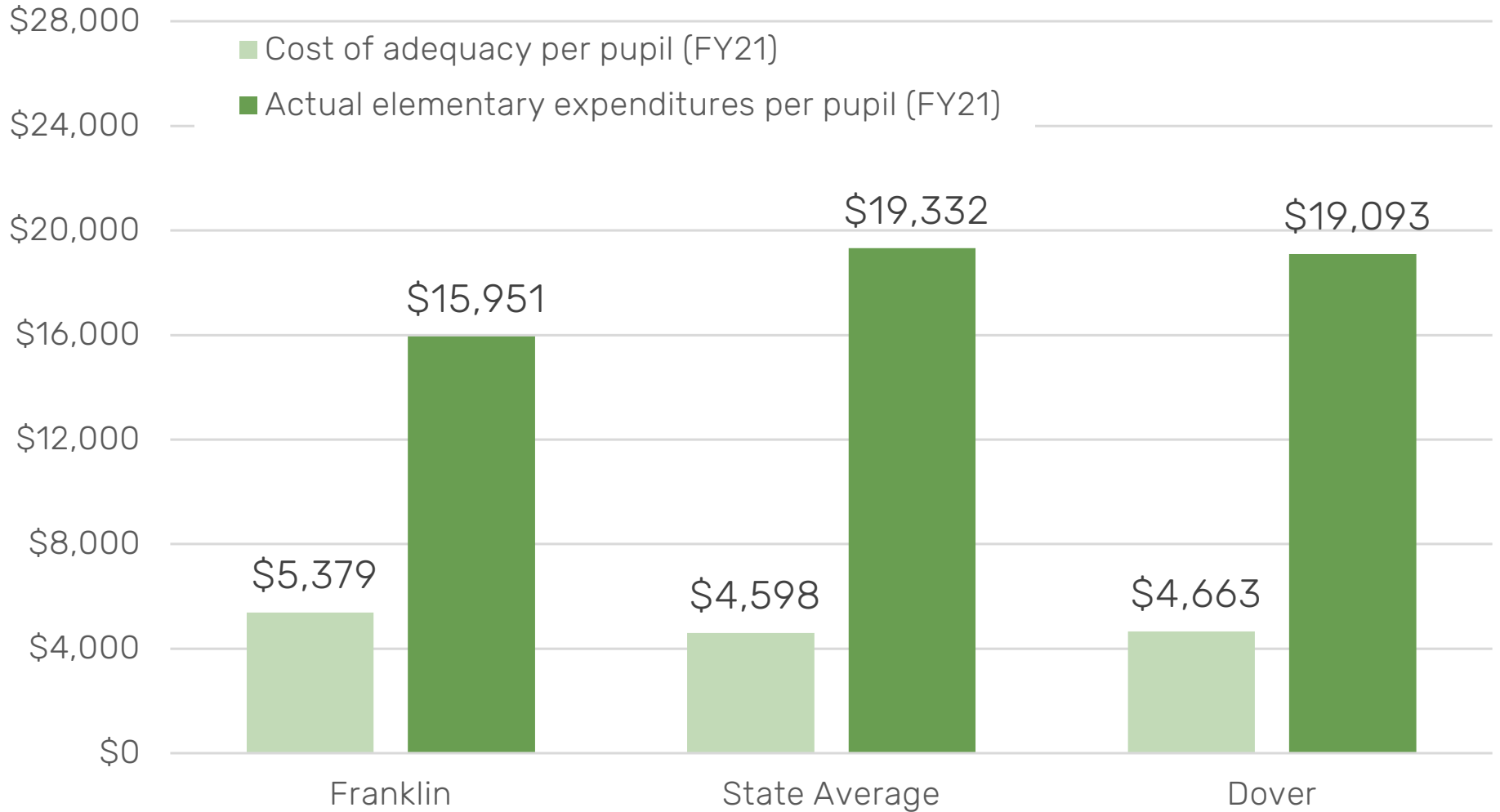
Most NH Children Attend School in Communities with Below Average Property Values

2020 Equalized Value Per Pupil for 237 Towns (in \$M)



One dot for each of 230 towns, sorted from lowest EVP to highest (7 towns with EVP over \$8 million not shown)

Current State Adequacy Grants Fall Well Short of Costs Communities Face in Educating Children



What Does an “Adequate” K-12 Education Cost?

An Example

The State of New Hampshire said that, for Pittsfield’s 581 students, an adequate education should cost \$2,690,333 or \$4,630 per student in 2018-19.

The Pittsfield School District budget for 2018-19 was \$10,302,402 or \$17,732 per student.

So let’s pare that budget down.....



So let's pare that budget down...

Eliminate 5 of the 16 teachers at the elementary school

Eliminate all art, music, and physical education classes in all grades

Eliminate all school nurses and any medical support

Eliminate all regular and special education transportation services

(parents to transport their children to and from school)

Eliminate one of the two office secretaries at the elementary school

Eliminate one of the two office secretaries at the middle/high school

Eliminate teachers for business ed, family & consumer science, and health

Eliminate one of four science teachers at the middle/high school, thus

eliminating some labs and electives

Eliminate all building and grounds maintenance and repairs

Eliminate student participation in Concord Regional Technical Center classes

Eliminate all foreign language courses

Eliminate both counselor/behavioral professionals and support staff

Eliminate four of eight custodians: building cleaning only twice per week



So let's pare that budget down...

- Eliminate health insurance and other benefits in current teacher contract
- Eliminate all field trips
- Eliminate all athletic programs: soccer, basketball, softball, and baseball
- Eliminate the district reading specialist
- Eliminate 34½ paraprofessional positions, including special ed teacher aides
- Eliminate purchase of equipment, supplies, books, subscriptions, technology
- Eliminate ESOL program (English for speakers of other languages)
- Eliminate all substitute teachers, thus requiring students to be dismissed
- Eliminate three special education teachers
- Eliminate provisions for teacher development courses, workshops
- Eliminate mentor teachers who support new teachers
- Eliminate all technology personnel, equipment, training, software, etc.
- Eliminate consulting specialists such as vision specialists and psychologists
- Eliminate travel reimbursement for training events, meetings, home visits, etc.



So let's pare that budget down...

Eliminate all co-curricular programs (clubs, activities, student council, etc.)

Eliminate the summer recreation program

Eliminate all guidance personnel

Eliminate substance abuse counselor

Eliminate speech/language, PT, OT, and vision services for special needs students

Eliminate stipend for teachers' summertime work on innovation and development

Eliminate stipends for teacher leaders

Eliminate all librarians and media center staff and close media centers

Eliminate school board stipends

Eliminate school board expenses, including lawyers and auditing services

Reduce time of superintendent to one day per week

Eliminate all photocopiers and their supplies

Eliminate maintenance of athletic field

Eliminate one school principal, leaving only one for both school buildings

Eliminate all office incidentals: postage, supplies, advertising, etc.



What Does an “Adequate” K-12 Education Cost?

An Example

With the above reductions...

- Most “core” K-12 classrooms are maintained
- Class size averages *29 students/teacher*
- Budget is now *\$5,289,610*

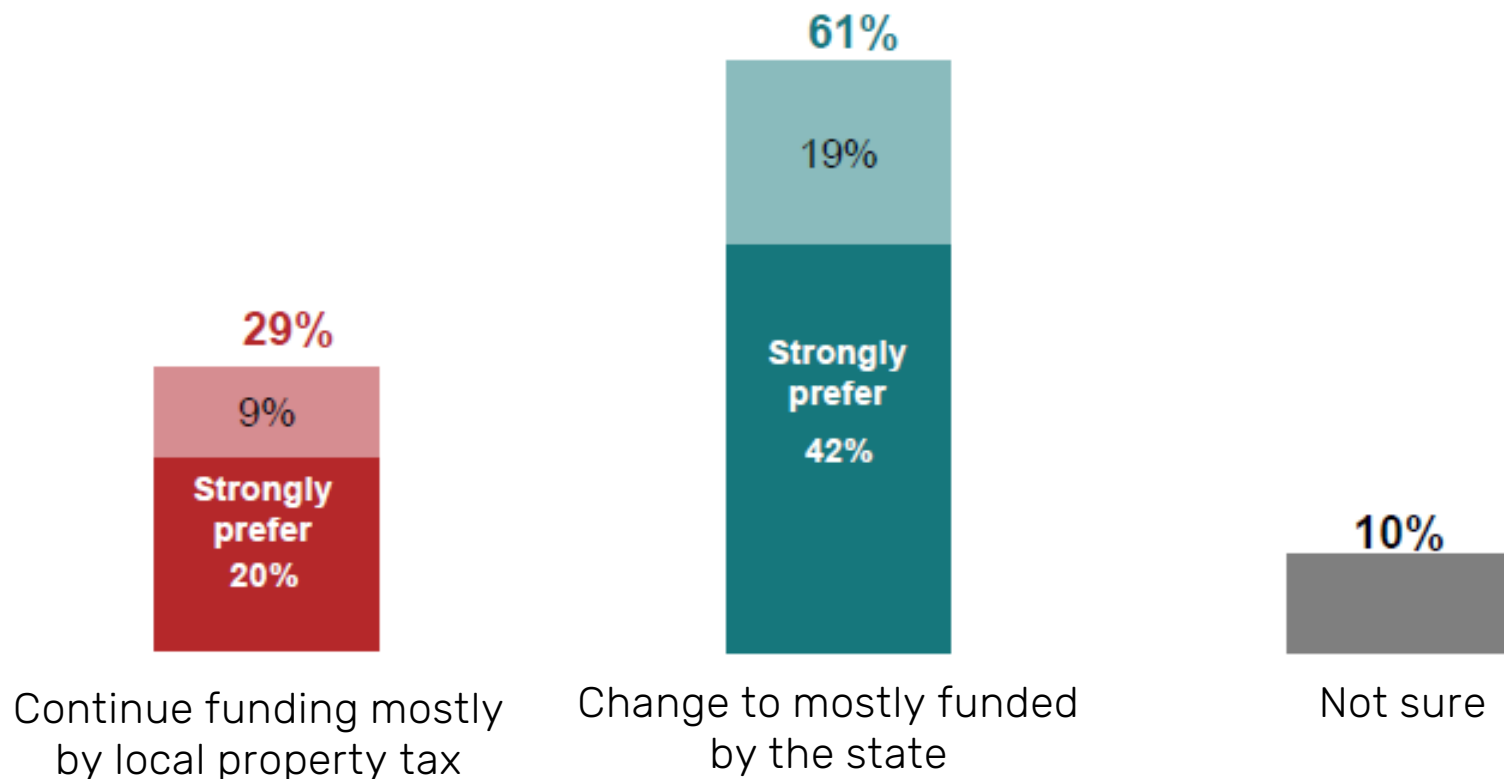
Now cut to the State’s “adequacy” level of *\$2,690,333*

- Nearly everything else has been eliminated, so now eliminate nearly half of the remaining teachers
- Class size averages *60 students/teacher*

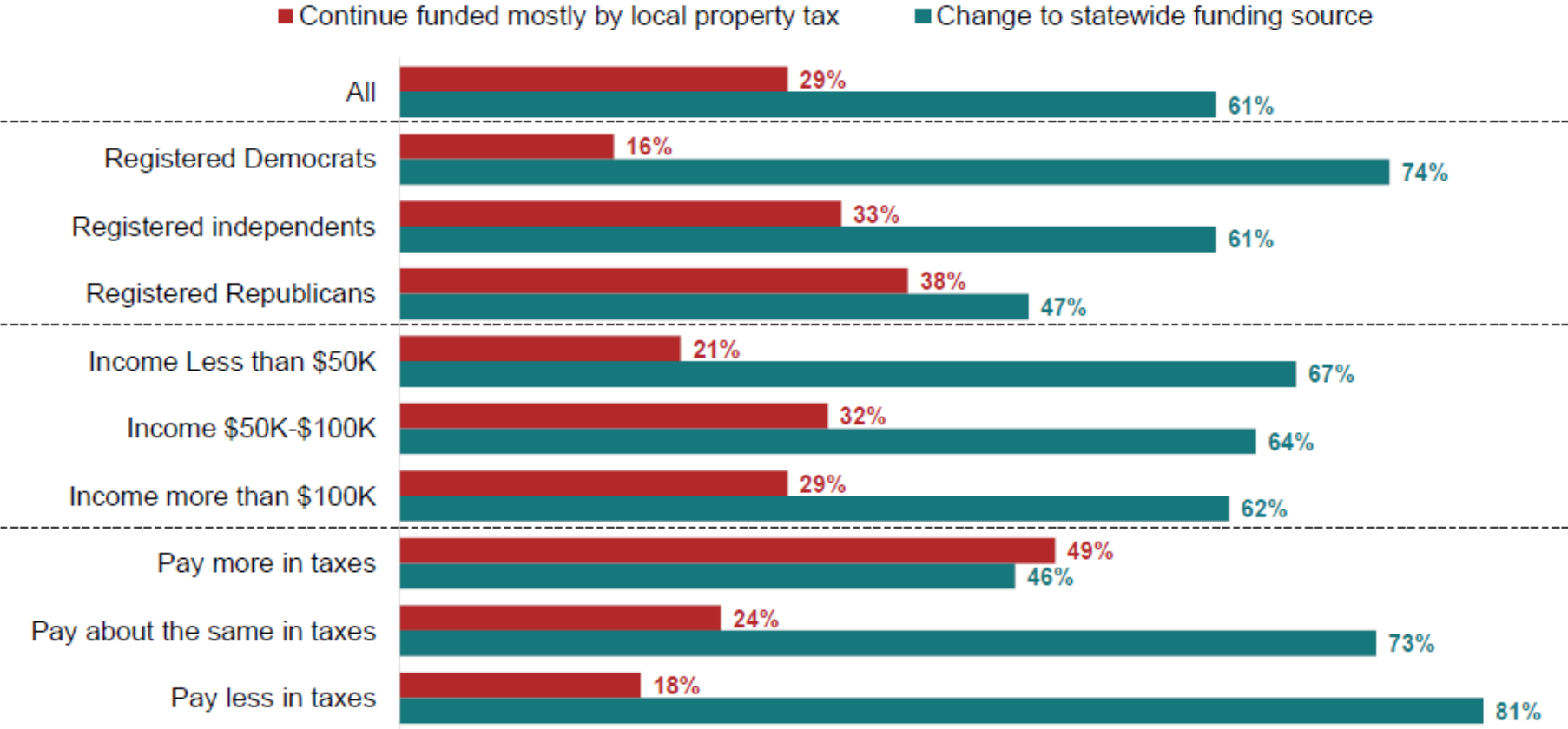
How does anyone believe that this will provide an adequate education for Pittsfield’s 581 students?



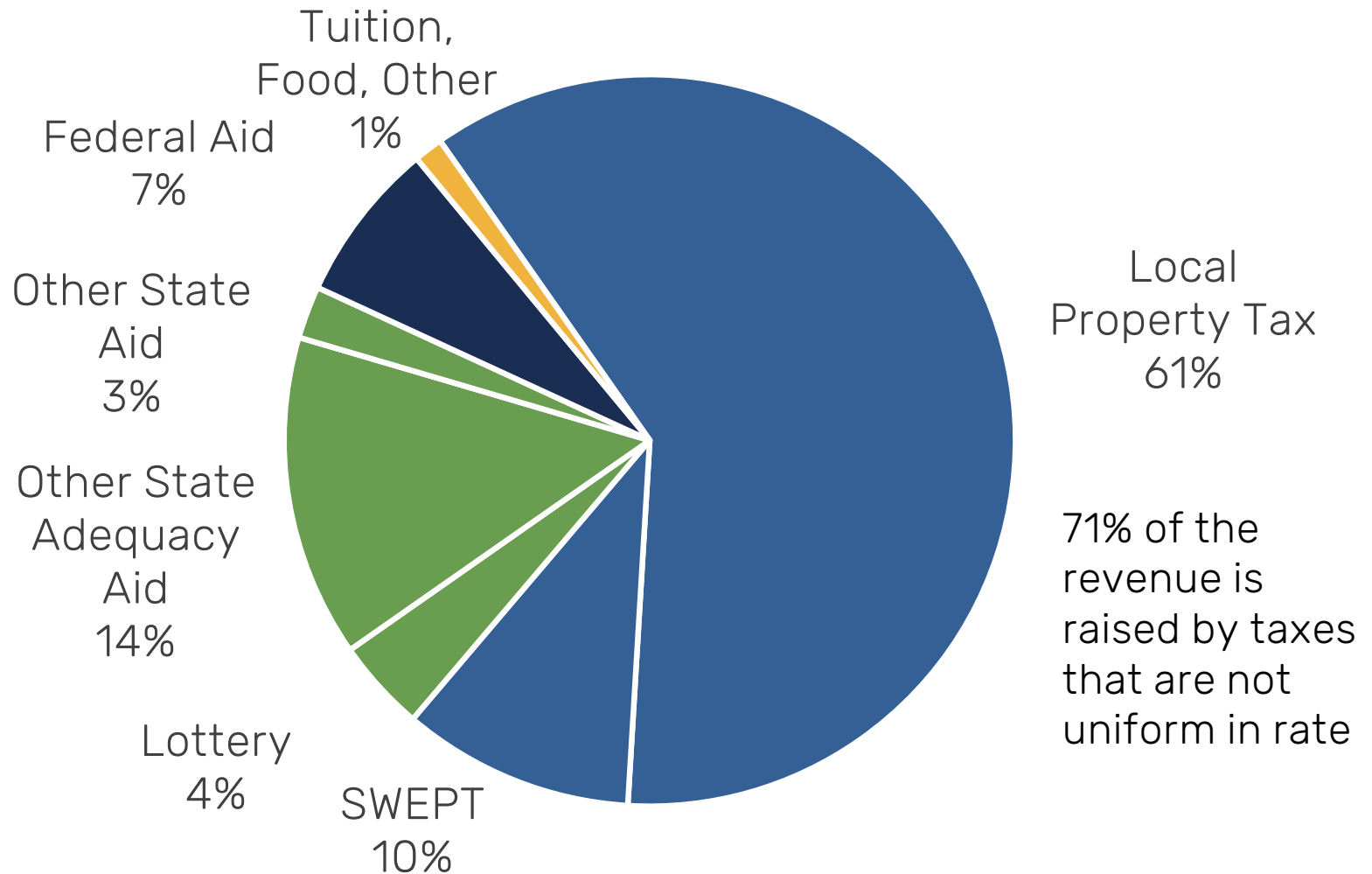
When presented with the gap in state and town funding compared with the state is providing, three in five respondents prefer the state contributing more.



Respondents across party and income lines prefer changing to a system where the state pays more. Even those who believe they will pay more in taxes are divided.



The Problem Lies with the Blue Portion of the Pie



A Final Thought

New Hampshire students' educational opportunities and property owners' school tax rates should not depend on their zip codes.

