

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

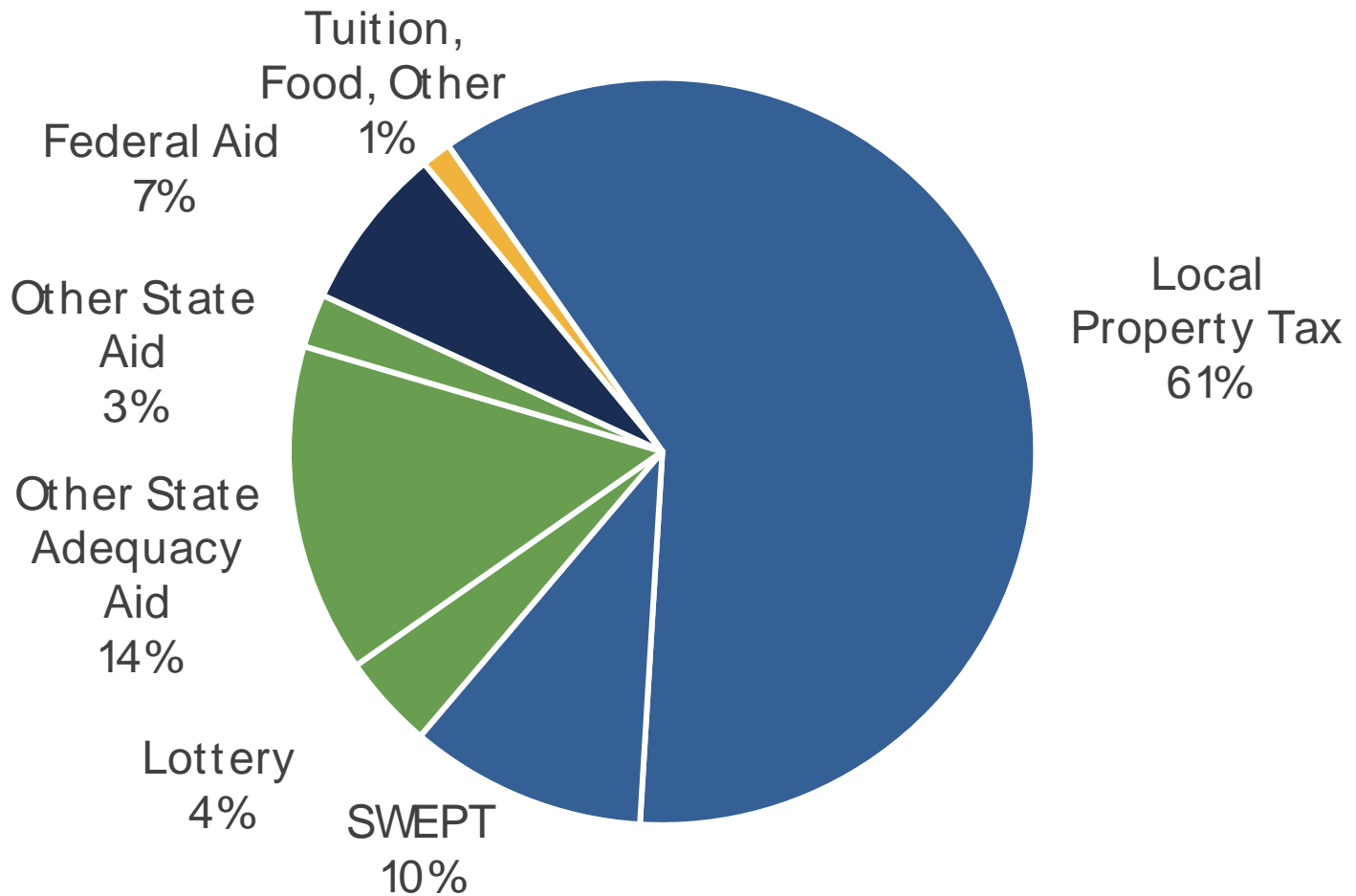
“To the extent that the property tax is used in the future to fund the provision of an adequate education, the tax must be administered in a manner that is **equal in valuation and uniform in rate** throughout the State.”

*Claremont II, 142 N.H. at 471*



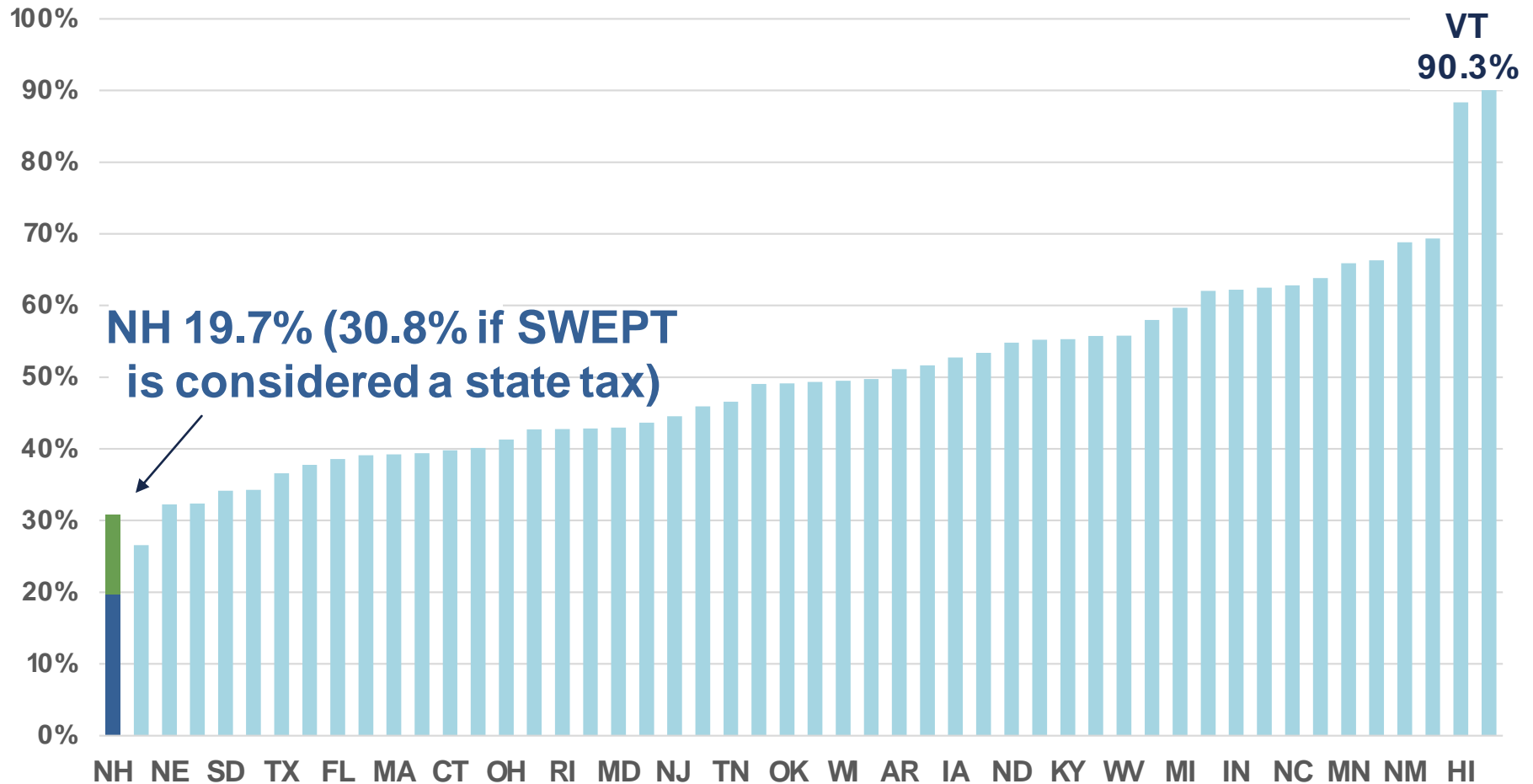
# 2020-21 Revenue of NH School Districts

*\$3.54 billion*



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

*Percent of school revenue from state sources, 2018-19*



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**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	<b>\$25.00</b>	\$10,000



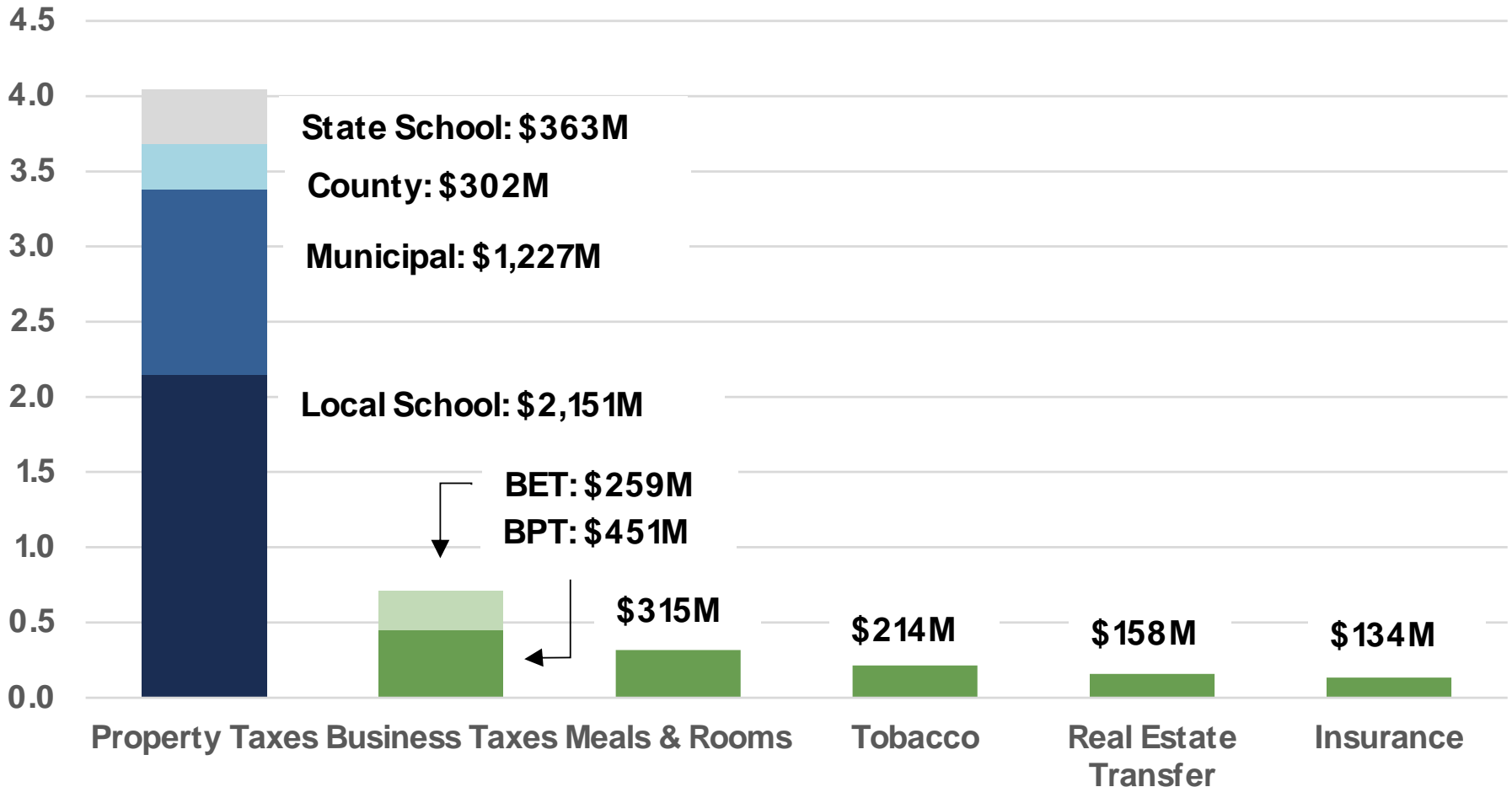
## *2020-21 School Tax Rate Variations within Pemi-Baker Cooperative School District*

	<b>Equalized Value Per Pupil</b>	<b>Combined Education Tax Rate</b>	<b>Tax on \$300,000 Home</b>
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



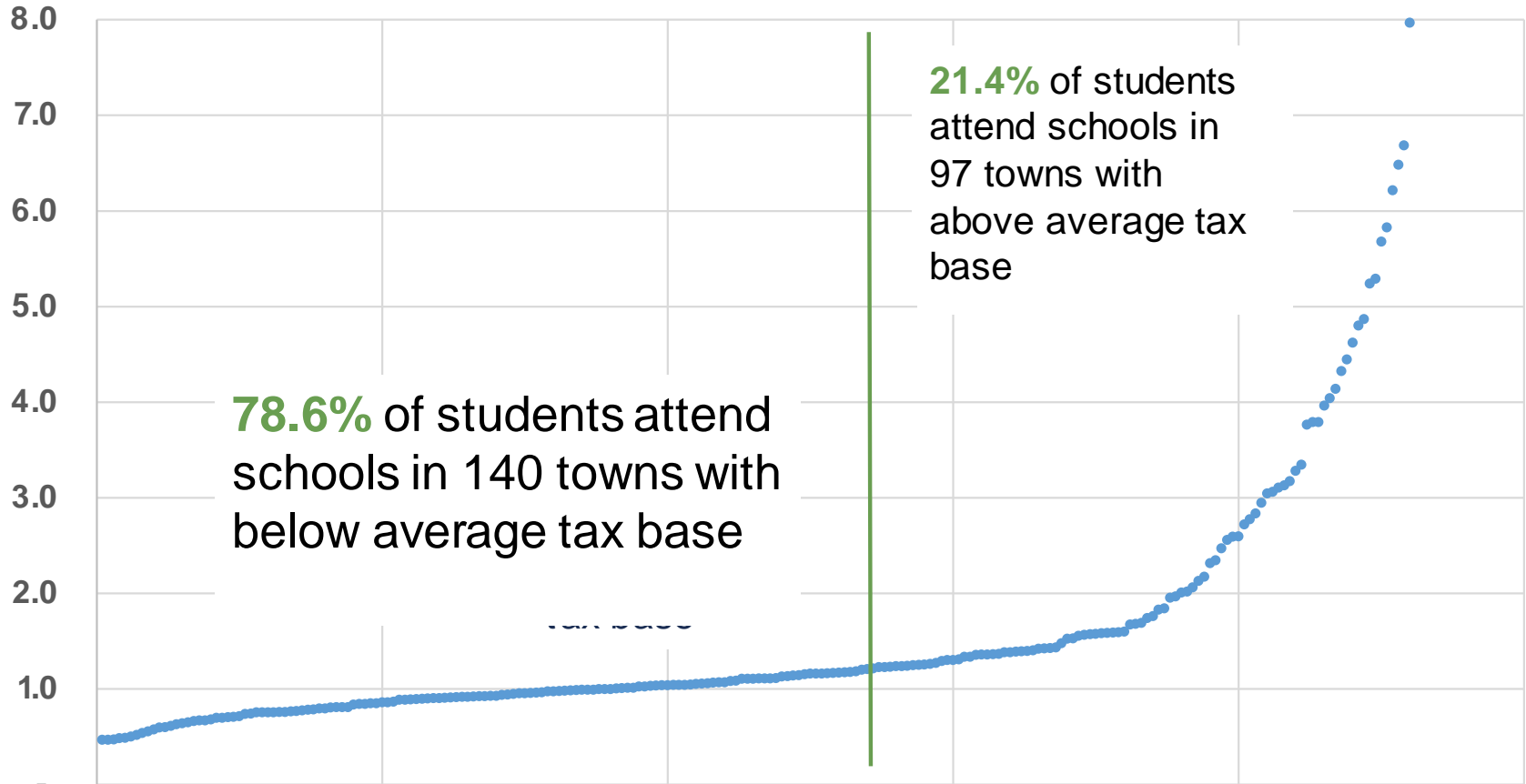
# The Property Tax is the Largest Tax in NH

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



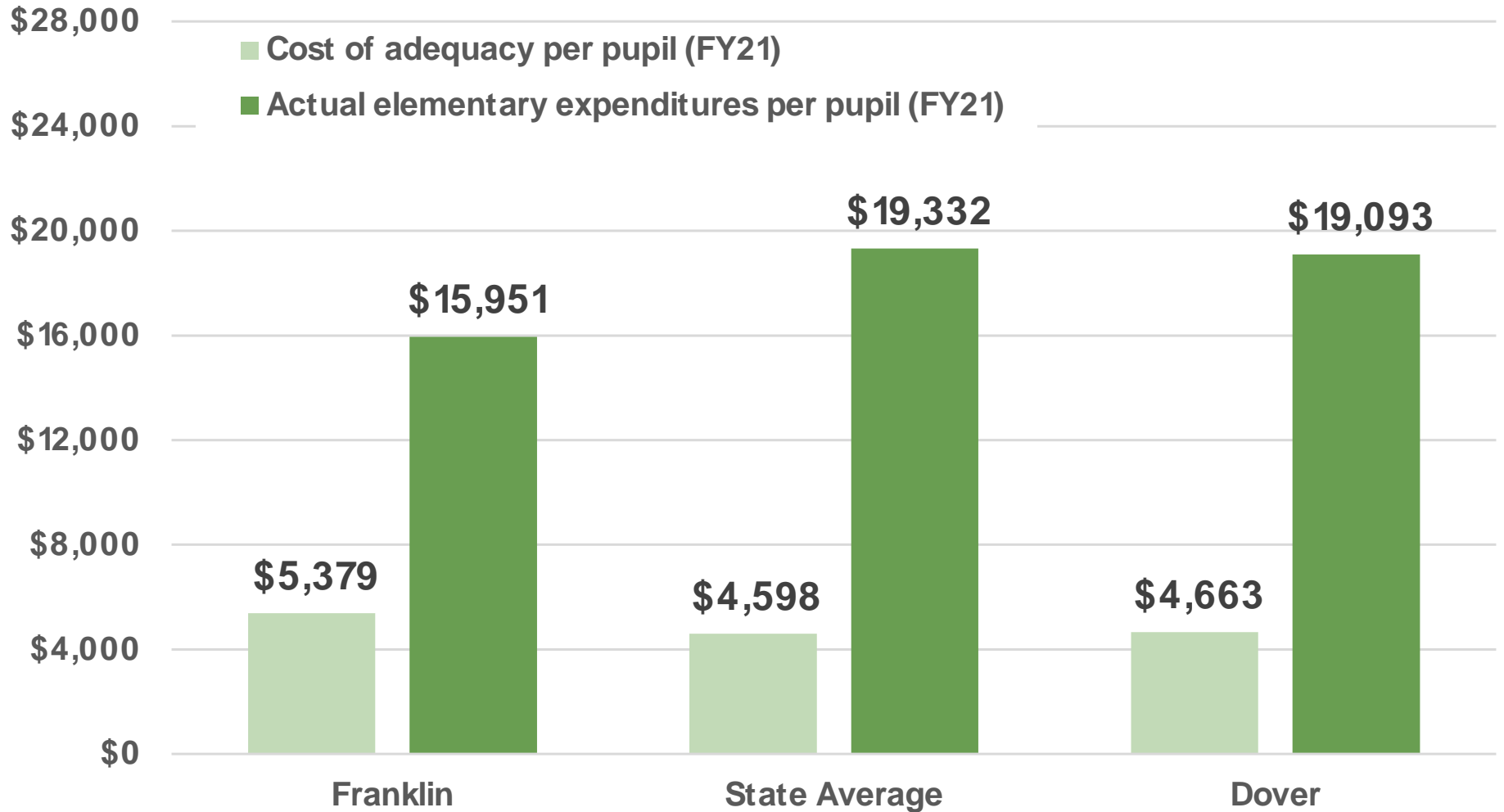
# Most NH Children Attend School in Communities with Below Average Property Values

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

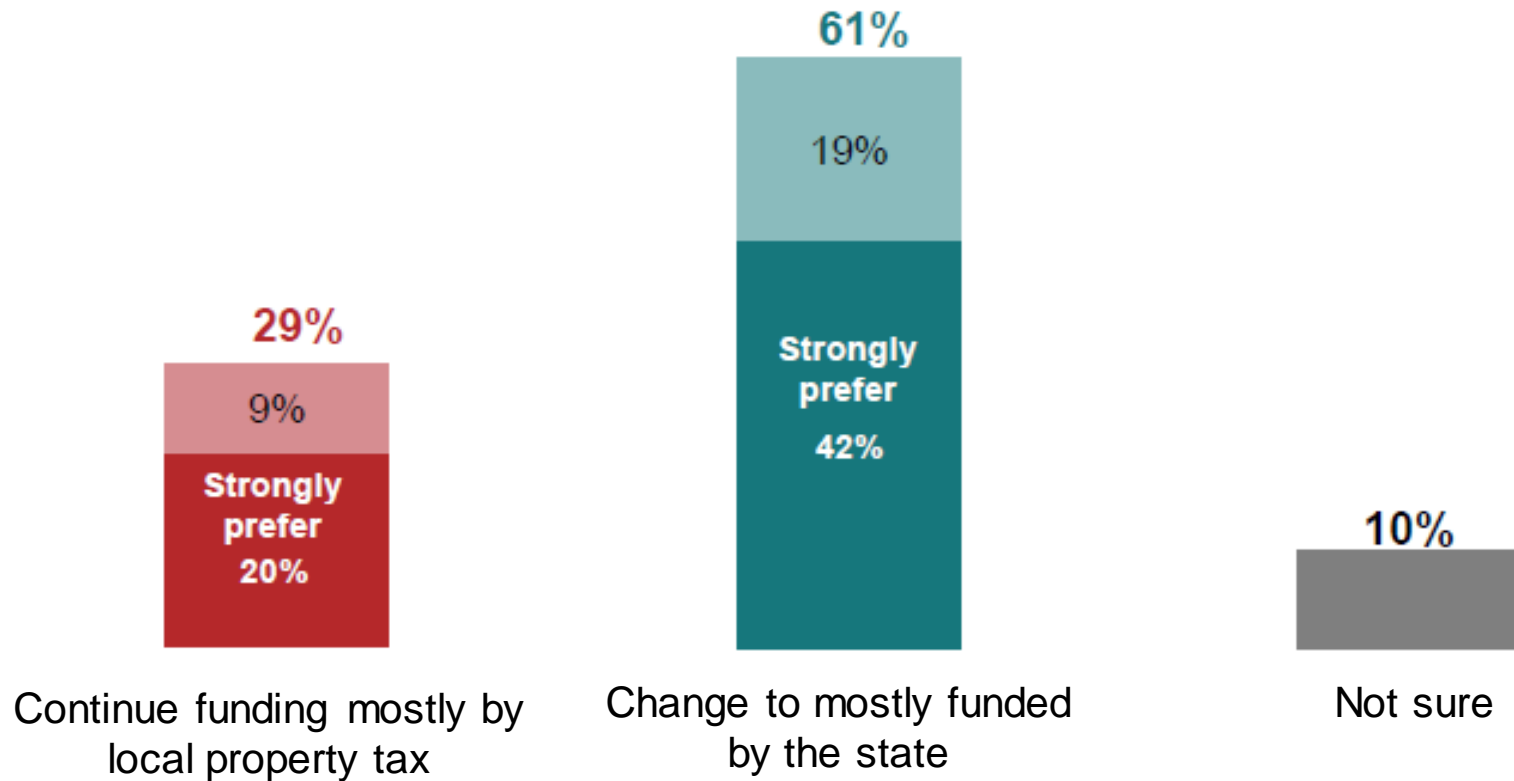


One dot for each of 230 towns, sorted from lowest EVP to highest (7 towns with EVP over \$8 million not shown)

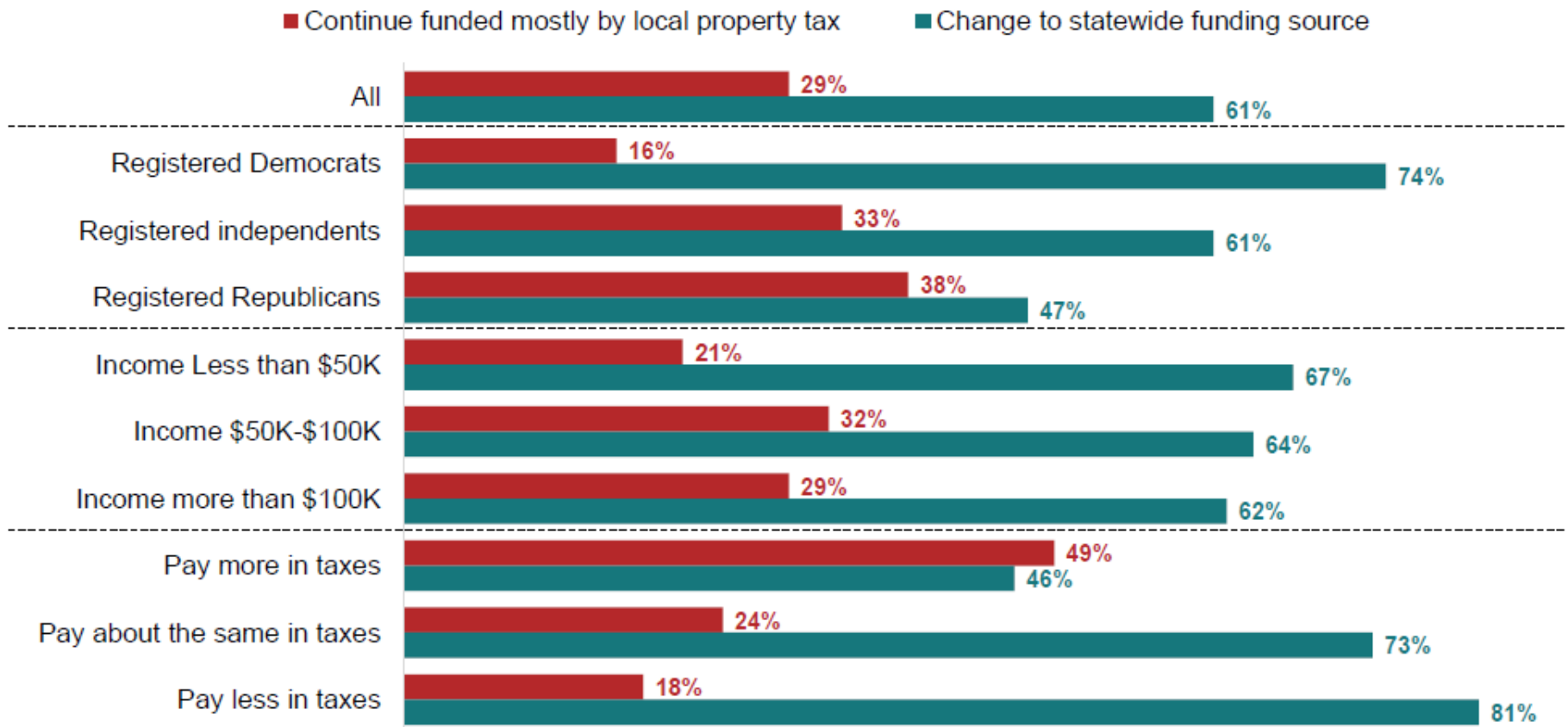
# Current State Adequacy Grants Fall Well Short of Costs Communities Face in Educating Children



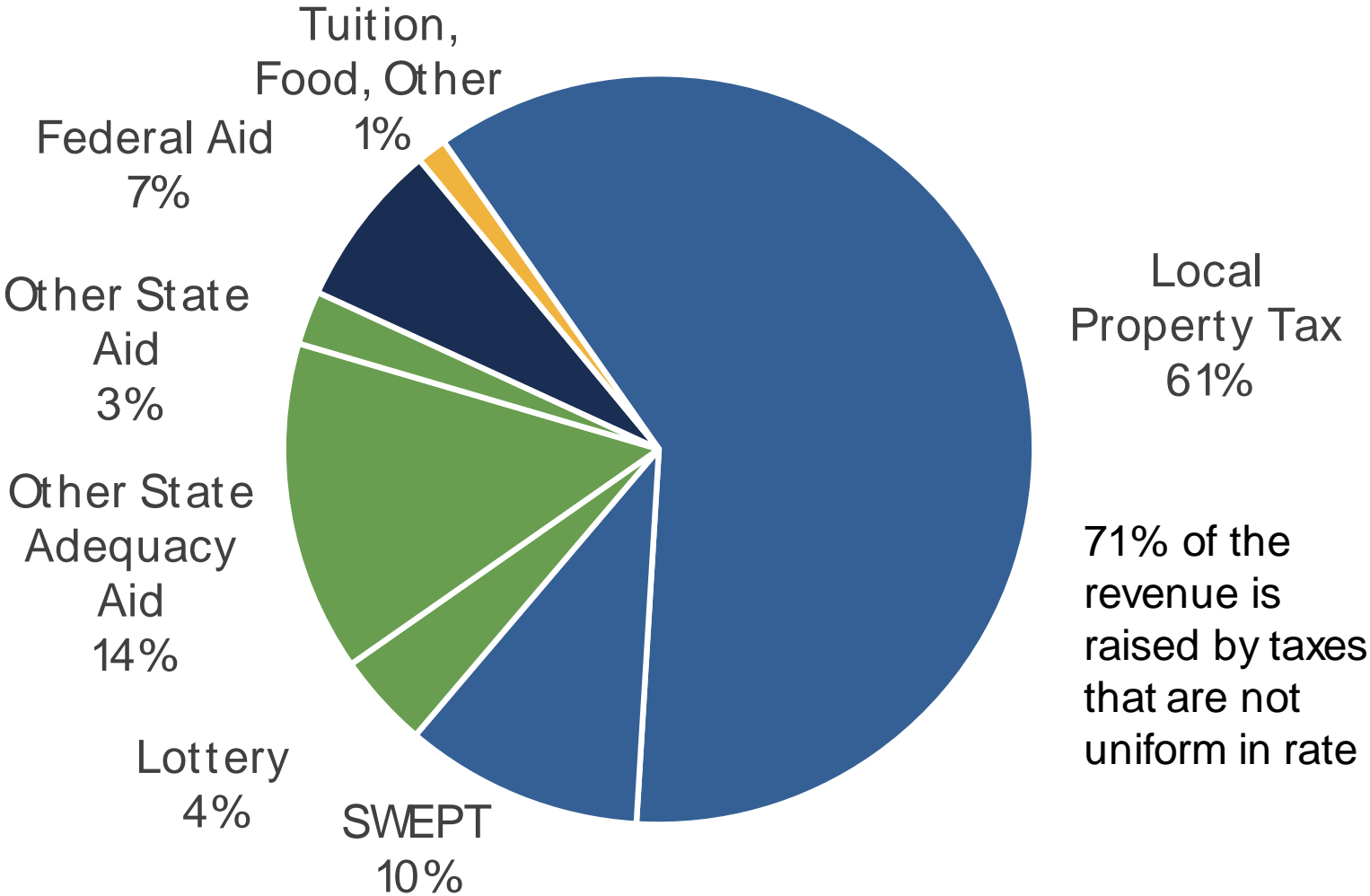
When presented with the gap in state and town funding compared with the state is providing, three in five respondents prefer the state contributing more.



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



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# A Final Thought

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

