



Testimony of Zack Sheehan,
Project Director, NH School Funding Fairness Project,
on HB 529 before the House Education Committee,
Wednesday, January 24

Chairman Ladd, Members of the Committee, thank you for the opportunity to offer testimony this afternoon on HB 529.

For the record, my name is Zack Sheehan and I am the Project Director of the NH School Funding Fairness Project (NHSFFP), a nonprofit organization that educates citizens and policymakers about the system New Hampshire uses to fund its public schools, builds awareness of the shortcomings of that system, and advocates for changes in law to make that system more fair for students and taxpayers alike. We are in support of HB 529.

As the members of this Committee know well, New Hampshire's school funding system suffers from a pair of injustices: deep and enduring inequities in educational opportunity and enormous differences in the property taxes we pay as residents and business owners to support our public schools. The significant gap between what the State has determined to be the cost of an adequate education – about \$4,700 per student on average – and the actual per pupil expenditures – about \$20,000 per student on average, as of the 2021-22 school year – highlight these inequities, as are equalized school property tax rates that range from \$1.59 (Millsfield) to \$18.68 (Charlestown) per \$1,000 of value.

These two injustices exist because the State of New Hampshire has failed for decades to fulfill its fundamental, Constitutional responsibility to provide an adequate education to every child within its borders. Instead, the state continues to downshift that responsibility onto local property taxpayers, forcing them to bear about \$2.3 billion in costs each year. About 70 % of all school district revenue comes from local property taxes

NHSFFP supports House Bill 529 because it considers the varying abilities of communities to raise sufficient funds for their public schools in this inequitable system. Additionally, the proportion of students in any given district who qualify for Free or Reduced-Price Meals is also an important, equity minded approach to increasing aid for the schools that need it most. By combining these two additional aid calculations, HB 529 acknowledges that communities can have, on average, higher property values and also have higher proportions of students who might need additional aid.

Since communities are forced to rely so heavily on local property taxes, Equalized Value Per Pupil is a useful measure of a communities' relative fiscal capacity to support their schools, and aid weighted to consider that capacity is critical to help the schools that need it most.

For example, let's compare Portsmouth and Milford, two communities with a similar number of students:

- Milford has an Equalized Value Per Pupil (EVPP) of just over \$1 million (\$1,051,210) and an equalized school tax rate of \$14.16 per thousand which raises about \$14,851 per student.
- Portsmouth, on the other hand, has an EVPP of almost \$4 million (\$3,852,473) and an equalized school tax rate of \$5.58 per thousand which raises \$21,329 per student.
- The people in Milford pay almost three times the school property tax rate than those in Portsmouth to raise \$6,000 less per student due to their lower property values.

A different example of two communities with similar numbers of students:

- Bristol has an EVPP of just over \$2 million (\$2,168,059) and an equalized school tax rate of \$7.30 per thousand which raises about \$15,727 per student.
- New London, on the other hand, has an EVPP of almost \$5 million (\$4,927,438) and an equalized school tax rate of \$8.92 per thousand which raises \$30,831 per student.
- Even though people in these communities pay similar property tax rates for their schools, New London can raise almost double what Bristol does per student due to their significantly higher property values.

In closing, I hope NHSFFP will have the chance to work with sponsors of HB 529 and the members of this Committee to address the concerns I've touched upon here and, ultimately, to build a school funding system that fulfills the state's responsibilities and that leads to greater equity for students and taxpayers alike. I thank you again for the chance to provide this testimony and would be happy to try to answer any questions you may have.