



Testimony of Zack Sheehan,
Executive Director, NH School Funding Fairness Project,
on HB 1 & 2 before the Senate Finance Committee, Tuesday, May 2, 2023

Chairman Gray, Members of the Committee, thank you for the opportunity to offer testimony this afternoon on HB 1 and 2. For the record, my name is Zack Sheehan and I am the Executive 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 the law to make that system fairer for students and taxpayers alike.

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 gap between what the State has determined to be the cost of an adequate education – **about \$4,700 per student, on average** – and actual per pupil expenditures – **about \$20,000 per student, on average**, for the 2021-22 school year – highlight these inequities, as are equalized school property tax rates that range from \$1.59 in Millsfield to \$18.68 in 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 tax payers, forcing them to bear **about \$2.3 billion** in costs each year. That is \$2.3 billion that is currently being raised by local property taxes to support our public schools. About 70% of all school district revenue comes from local property taxes

I urge the Committee to at least keep the education funding provisions adopted by the full House of Representatives in April. The budget proposed by the Governor would have reduced need-based aid by an estimated \$1.3 billion to high-need districts over the next 10 years. While he included a small increase to the base adequacy amount for every student, the dramatic reduction in funding that currently goes to districts with higher levels of need and lower capacity to raise money due to lower average property values would have harmed the students and schools who are already struggling.

We are strongly opposed to the so-called Weyler amendment that was included in the House's version of the budget. This policy change will completely wipe out the current surplus in the Education Trust Fund, resulting in a deficit of about \$20 million by Fiscal Year 25. The stated purpose of this change is to have funds that are currently set aside for education related expenses, such as school building aid, "compete" with other state priorities. This move sends a strong signal that the legislature is more interested in raiding what little money is currently set aside for public education than working to honestly address their constitutional responsibility. I urge you to build upon the funding levels passed by the House. The continued lack of funding from the state is detrimental to our students, our taxpayers, and our communities across the state. Taxpayers deserve to be treated fairly by our government, not subjected to widely different rates. Public education is the bedrock of our society, and every child deserves access to an excellent education regardless of their zip code.

Along with my testimony I am submitting a petition signed by over 400 Granite Staters from more than 130 cities and towns calling on you to prioritize fair education funding in this budget.