

# 2024 Candidate Webinar Series



Tuesday, 8/13 at 12pm – NH Businesses for Social Responsibility

Thursday, 8/15 at 12pm – Disability Rights Center – NH

Tuesday, 8/20 at 12pm – NH Hunger Solutions

**Thursday, 8/22 at 12pm – AARP**

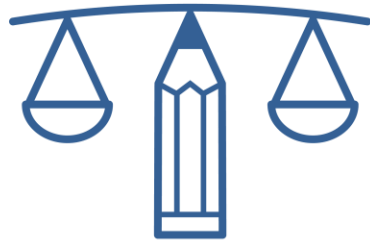
Tuesday, 8/27 at 12pm – NH Center for Justice and Equity

Thursday, 8/29 at 10am – Housing Action NH

Tuesday, 9/3 at 12pm – MomsRising

Thursday, 9/5 at 12pm – Reaching Higher NH





NH SCHOOL

# Funding Fairness Project

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



NH SCHOOL  
Funding Fairness  
Project

# New Hampshire School Funding

NH Relies Overwhelmingly on Local Property Taxes to Fund Public Education

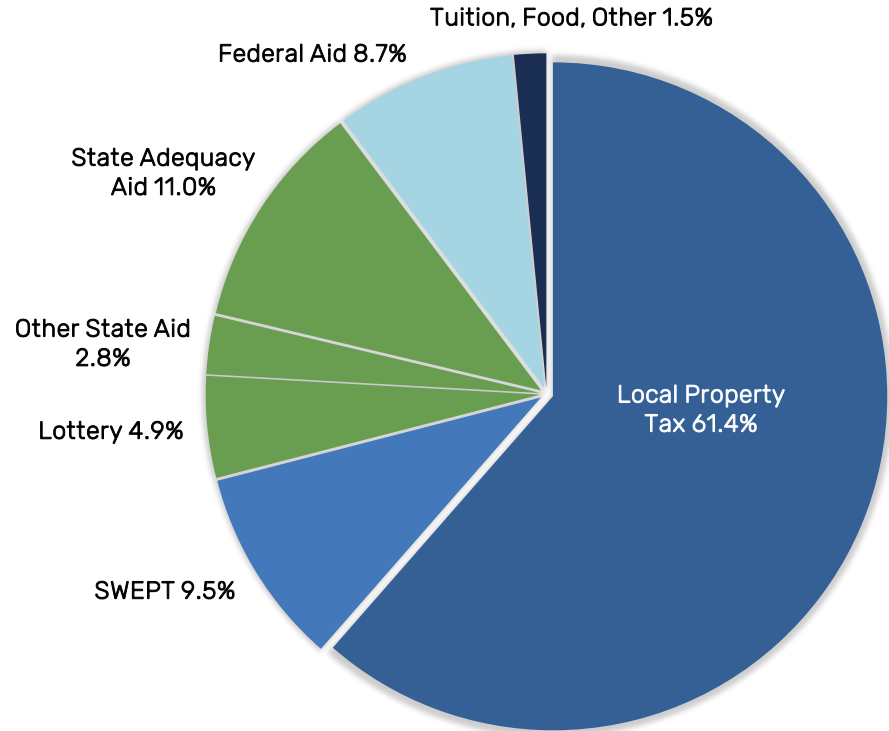
## '22 – '23 Revenue Breakdown of NH School Districts

**\$3.8B in Total Revenue**

**Federal Aid: 8.7%**

**State Revenue: 18.7%**

**Property Taxes: 70.9%**



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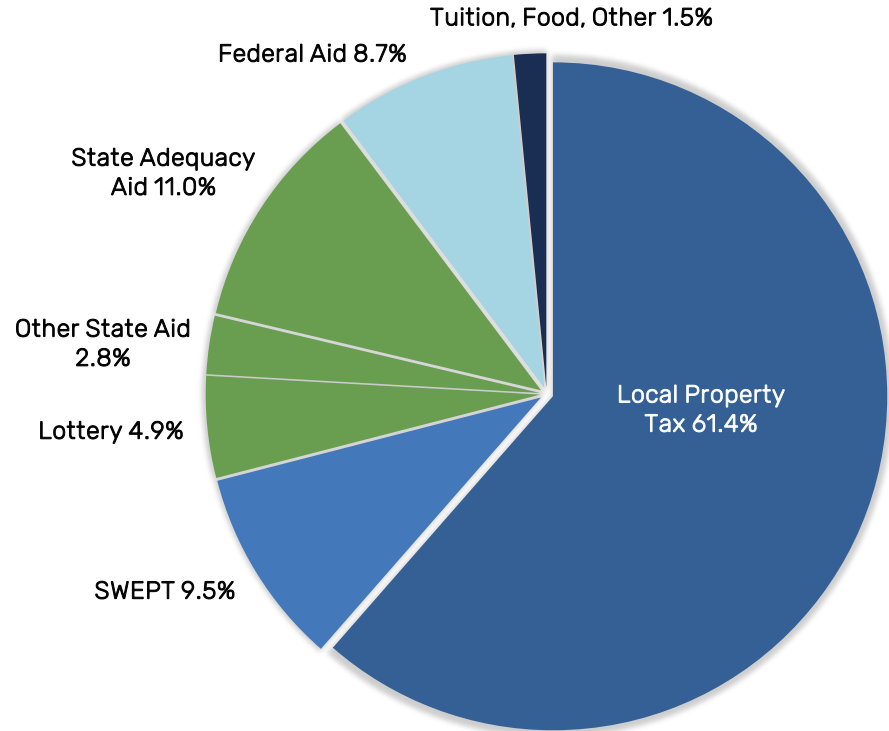
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**\$3.8B in Total Revenue**

**Property Taxes: 70.9%**

=

**Almost \$2.7 Billion  
Downshifted Annually**



# Public High School Metric Comparison

Criteria	Public High School A	Public High School B
Percentage 3 <sup>rd</sup> Graders who are Proficient or Above in Math & Reading	78% Math, 71% Reading	29% Math, 31% Reading

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# Public High School Metric Comparison

Which Schools are these...

Portsmouth

Claremont

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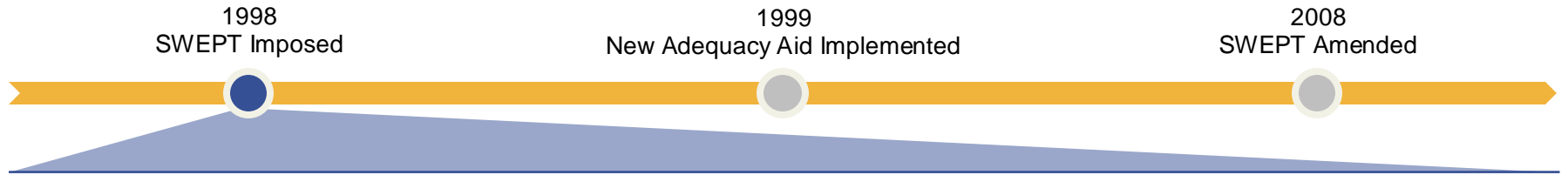
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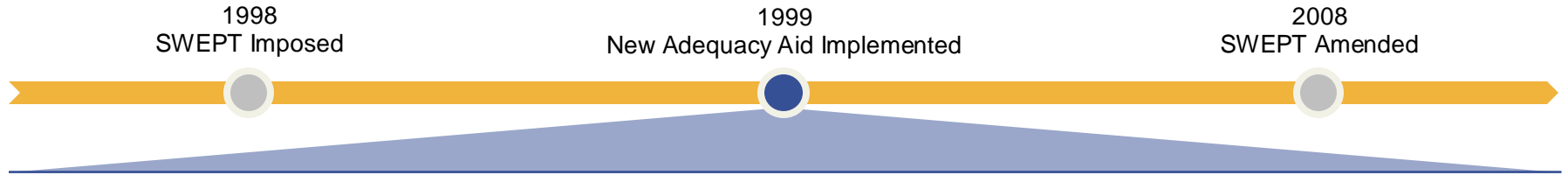
# SWEPT Timeline



**S** t a t e -  
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SWEPT (\$6.04) is implemented in the state of New Hampshire

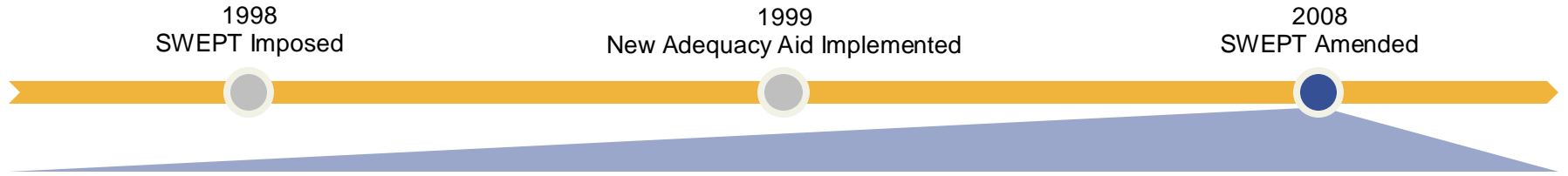
# SWEPT Timeline



New 'adequacy aid' funding comes from the state.

Local education property taxes **decreased** from \$17.68 in 1998 to \$7.22 in 1999. When combined with the new SWEPT rates, average total education property taxes **still decreased** to \$13.26

# SWEPT Timeline



- Coalition of property wealthy towns lobbied to change SWEPT to a local-only tax
  - Now, some locations have **negative** tax rates
- From '12-'22, the burden on local property tax payers to fund public education increased by \$614M (compared to the State's \$47M increase)

# Calculating the Cost of an Adequate Education

Every student receives **\$4,100** in 'Base Adequacy'

**+ \$2,300**

for each student eligible for free or reduced-priced lunch

**+ \$2,100**

For each student receiving special education services

**+ \$800**

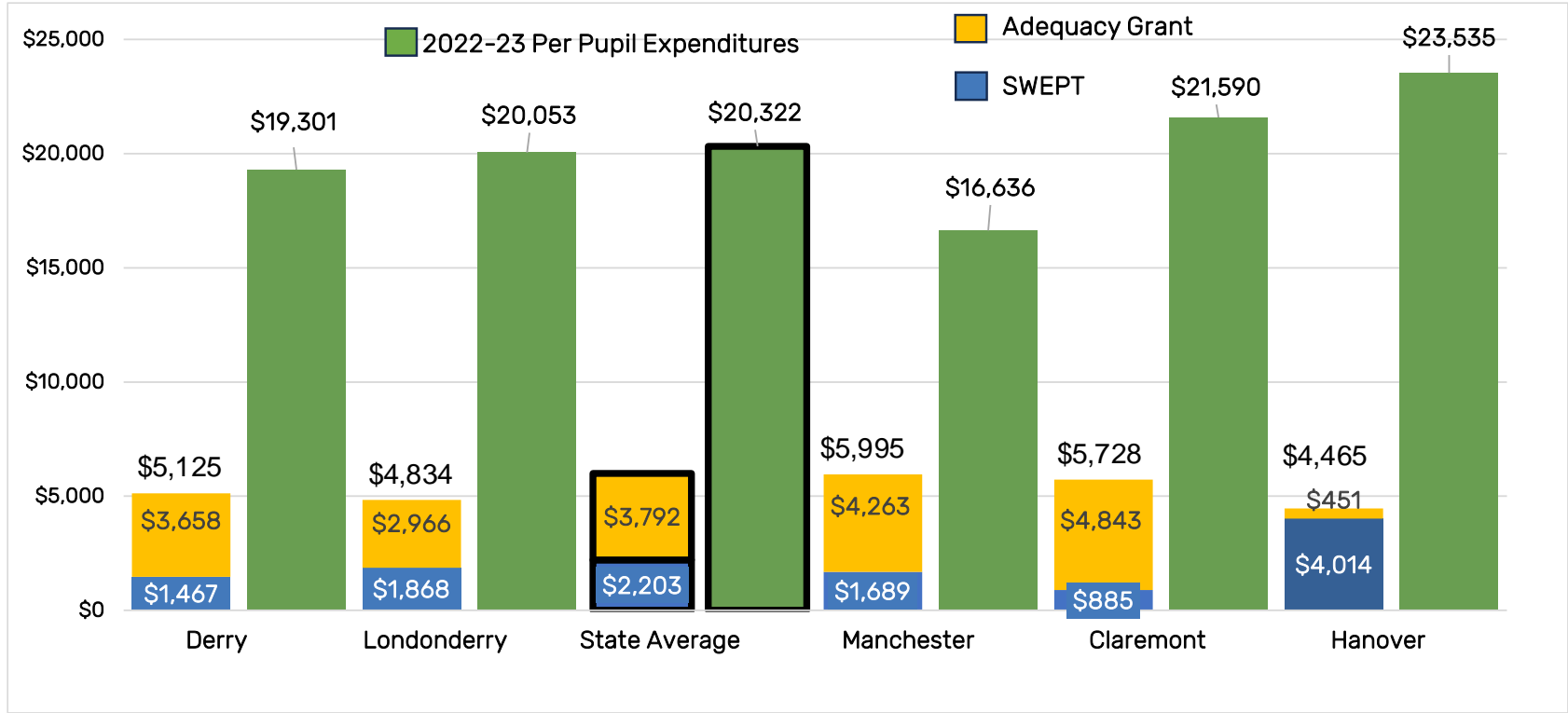
For each student who is an English Language Learner

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**= \$5,995**

**Average State Aid Per Student  
or "Calculated Cost of an Adequate  
Education"**

# Current State Adequacy Grants Fall Well Short of Actual Costs to Educate Children



# SWEPT – A Breakdown

Portsmouth

Claremont

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“State Ed” (SWEPT) rate	\$0.95 per \$1,000	\$0.76 per \$1,000

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\$ raised from SWEPT	\$11,410,459	\$1,396,185

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Excess SWEPT	\$1,162,086	-----

## Existing Low and Moderate Income Property Tax Relief Program

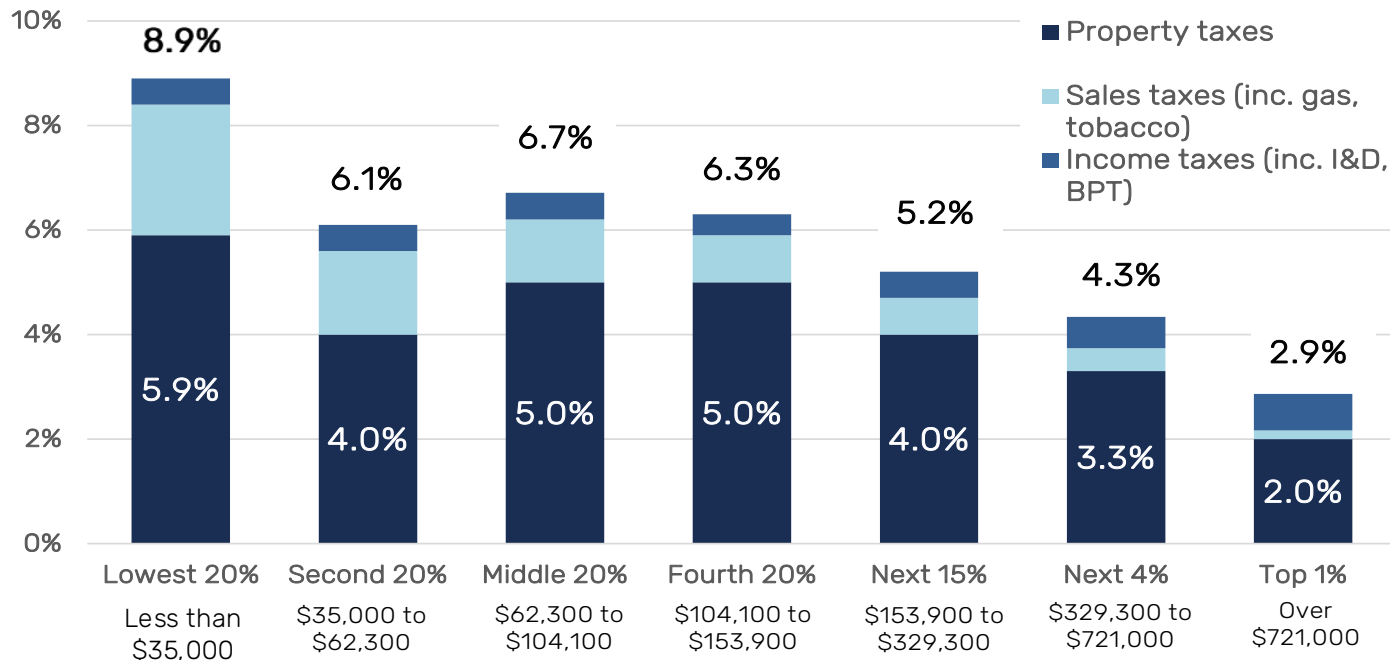
- In 2021, just 5,572 claims averaging only \$236 were granted
- In 2022 the total amount of relief provided for the entire state was only \$1.4 million
- In 2003, there were 27,207 claims granted (\$7.5 million)
- The average property tax bill for Granite Staters was about \$7,470 in 2021

# Homestead Exemption – An Example

- 2022 SWEPT Base: \$297,674,165,584
- 2022 SWEPT Average Rate: \$0.86
- 2022 SWEPT bill on \$350k and \$450k home: \$301 and \$387
  
- **SWEPT base with \$200k Homestead Exemption: \$190,876,365,584**
- **SWEPT rate with exemption (to raise \$363 million): \$1.90**
- **“New” SWEPT bill on \$350k and \$450k home: \$285 and \$475**

# Property Tax Reliance Adds to Regressivity of New Hampshire's Tax System

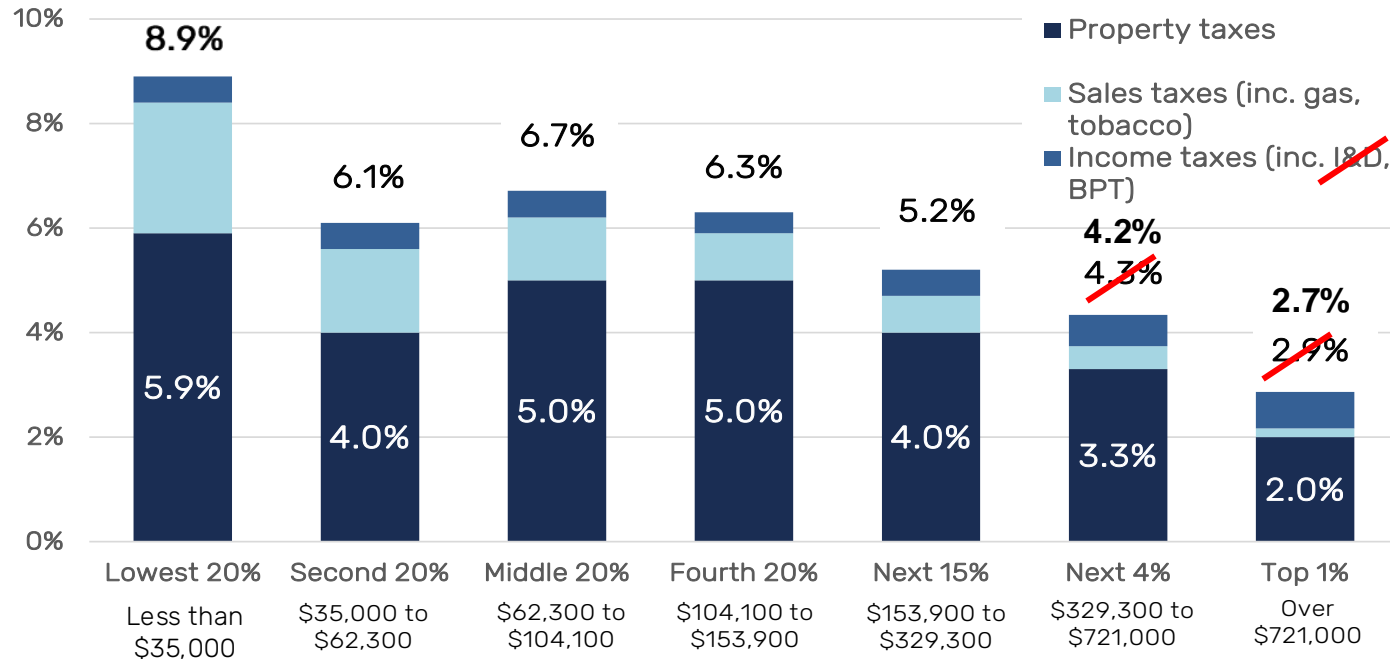
*Taxes as a Share of Income, by Income Group, 2024*



Source: Institute on Taxation and Economic Policy

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# Possible Revenue Sources

## INCREASE CONTRIBUTION FROM SWEPT

Example revenue estimates:

- ConVal lawsuit base adequacy amount (\$9,929 per pupil) – SWEPT of about \$9 per \$1,000
- ConVal Superior Court ruling base adequacy minimum (\$7,356.01) - SWEPT rate of about \$5 per \$1,000

Could be paired with policies to protect lower income residents, such as a Homestead Exemption or increases to the Low and Moderate Property Tax Relief Program

## INTEREST & DIVIDEND TAX

Reinstate the interest & dividend tax ~\$135M

## BUSINESS TAXES

The NH Fiscal Policy Institute estimated the state lost ~\$496M - \$729M between 2015-2022 due to cutting business taxes

# Summary

- Neither taxpayers nor students are treated equitably or fairly.
- The problem is getting worse.
- About \$2.7 Billion is downshifted to local property tax payers each year.
- The current system is unconstitutional.
- The solution lies with state level lawmakers.

# AN ADEQUATE EDUCATION

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# 2024 Legislation - Funding Attempts

**HB 1583** – increase base adequacy to \$10,000

**HB 1656** – increase special education adequacy grant to \$27,000 per student

**HB 1670** – state pays for all special education costs

**HB 1586** – changes to adequacy formula, SWEPT, and property tax relief in line with Commission to Study School Funding recommendations

# 2024 Legislation - Funding Attempts

HB 1583

**Amended:** ~\$64M in FY24 & +\$34M in FY25  
*\*uses estimated surplus in Education Trust Fund*

HB 1656

**Amended:** ~\$17M in FY 24

HB 1670

~~HB 1670~~—state pays for all special education costs—  
Recommended to Interim Study in the House

HB 1586

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**HB 1670**



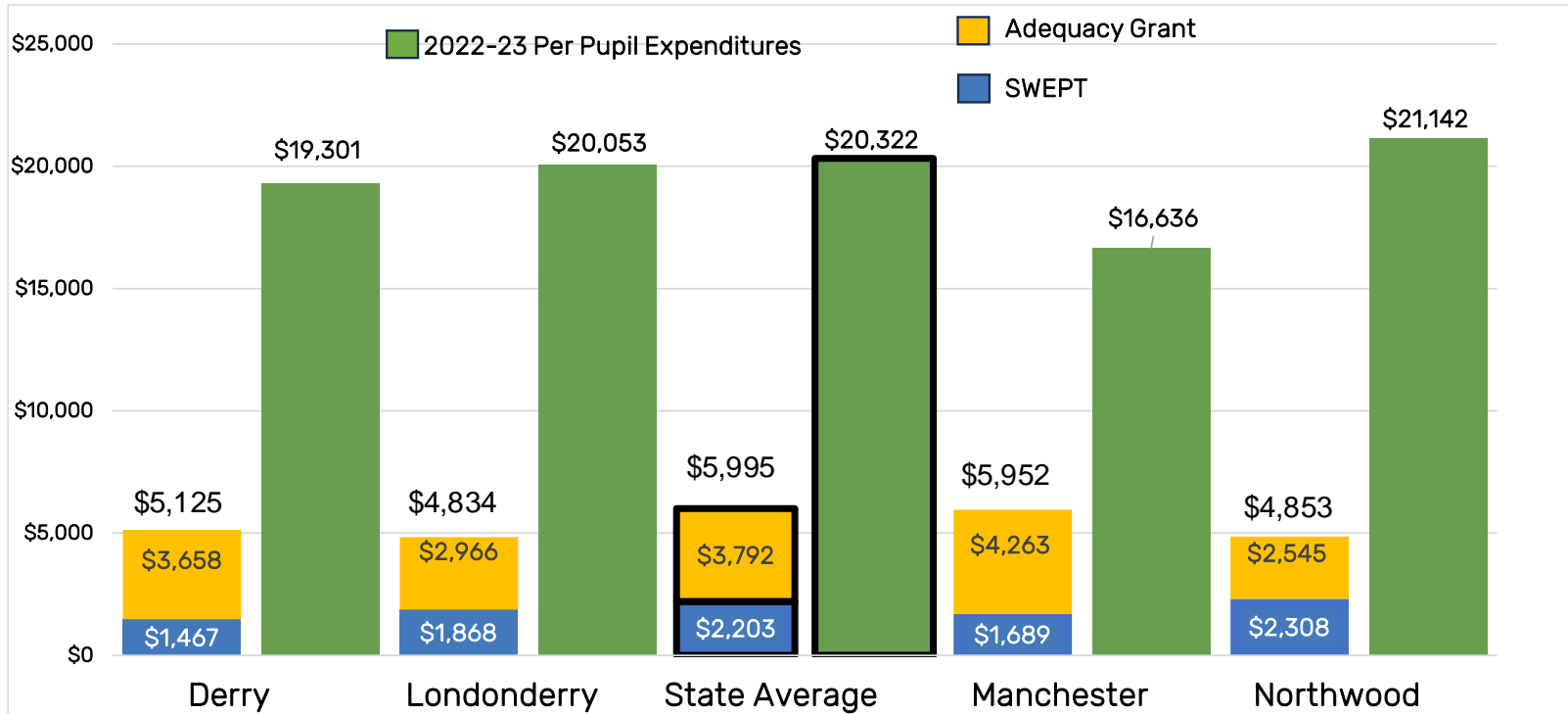
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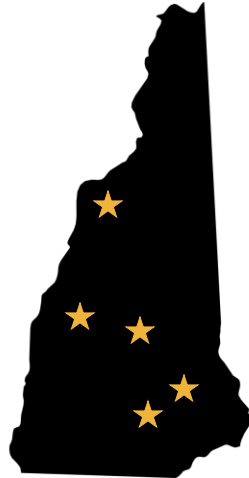
# The Claremont Rulings

In the 90s, 5 school districts came together to sue the state to fight for education funding equality

School Districts including Claremont, Pittsfield, Lison Regional, Franklin, and Allenstown as well as 8 taxpayers & parents and 5 students all came together to sue the state of New Hampshire.

After 7 years, the Plaintiffs come out victorious. The ruling can be summarized into 2 key factors:

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



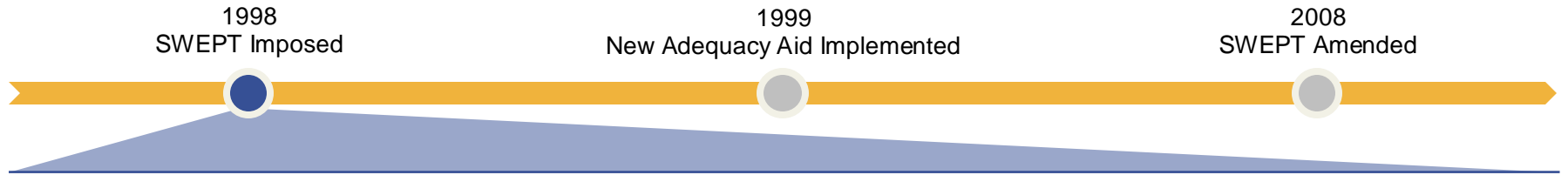
## The Scope of an “Adequate Education”: Expansive and Future-Oriented

“Mere competence in the basics—reading, writing, and arithmetic—is insufficient in the waning days of the twentieth century to insure that this State's public school students are fully integrated into the world around them. A broad exposure to the social, economic, scientific, technological, and political realities of today's society is essential for our students to compete, contribute, and flourish in the twenty-first century.”

Claremont II, 142 N.H. at 474

# Post Claremont Ruling Reform

In the 90s, 5 school districts came together to sue the state to fight for education funding equality



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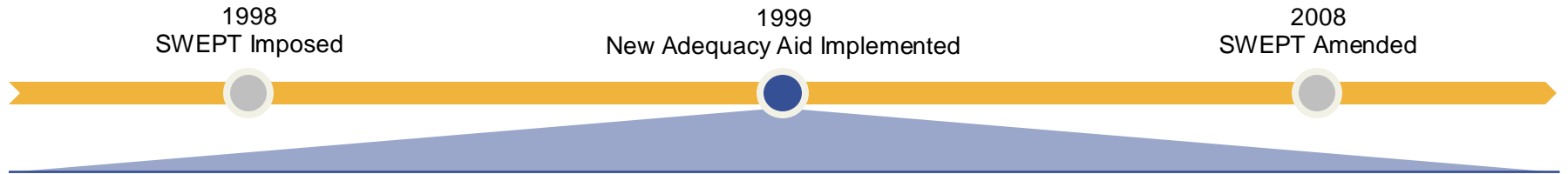
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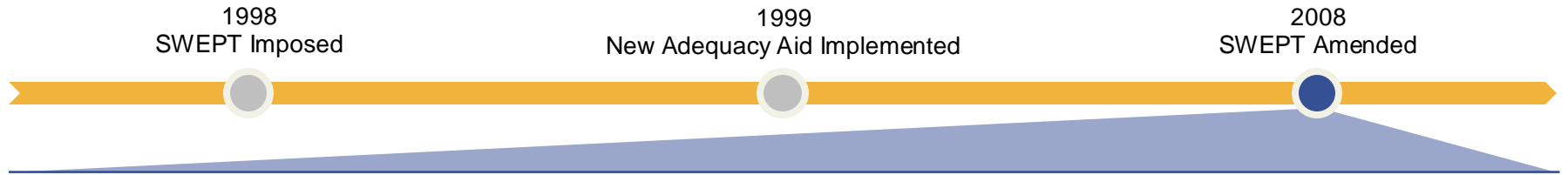


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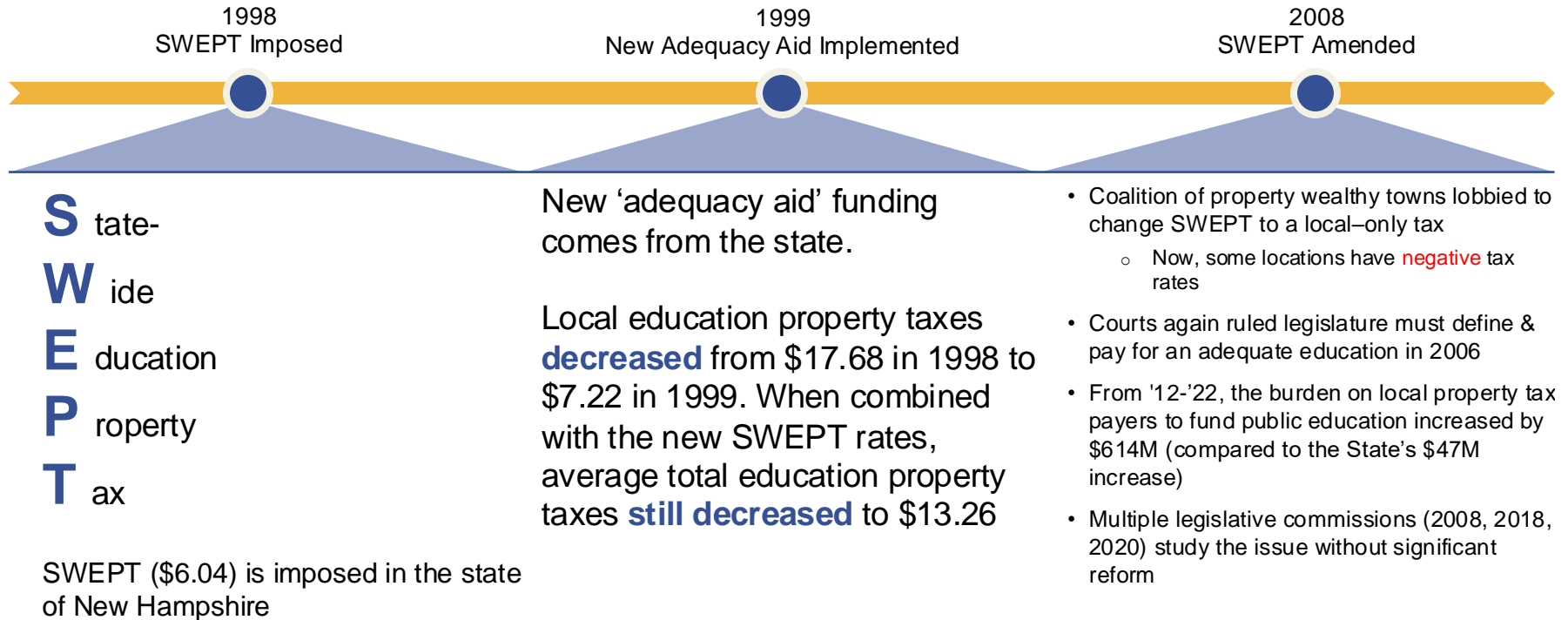
In the 90s, 5 school districts came together to sue the state to fight for education funding equality



- Coalition of property wealthy towns lobbied to change SWEPT to a local-only tax
  - Now, some locations have **negative** tax rates
- Courts again ruled legislature must define & pay for an adequate education in 2006
- From '12-'22, the burden on local property tax payers to fund public education increased by \$614M (compared to the State's \$47M increase)
- Multiple legislative commissions (2008, 2018, 2020) study the issue without significant reform

# Post Claremont Ruling Reform

In the 90s, 5 school districts came together to sue the state to fight for education funding equality



# Defining an Adequate Education

Per 193-E:2-a the specific criteria & substantive educational program that deliver the opportunity for an adequate education shall be defined & id'd as the school approval standards in the following

## LEARNING AREAS

1. English/Language Arts & Reading
2. Mathematics
3. Science
4. Social studies
5. Arts education
6. World languages
7. Health and wellness education
8. Physical education
9. Engineering and Technologies
10. Personal Finance Literacy
11. Computer science

## STAFF

- 1 Teacher per 25 students K-2, per 30 students 3-12
- 1 Specialist teacher for every 5 teachers
- 1 Principal per 500 students
- 1 Principal admin Assistant per 500 students
- 1 Guidance Counselor per 400 students
- 1 Library Media Specialist per 500 students
- 1 Technology Coordinator per 1,200 students
- 1 Custodian per 500 students

## OTHER

- Instructional Materials
- Technology
- Teacher Professional Development
- Facilities Operation and Maintenance
- Transportation

# Defining an Adequate Education (Cont'd)

Per 193-E:2-a the specific criteria & substantive educational program that deliver the opportunity for an adequate education shall be defined & id'd as the school approval standards in the following

	Requirement	Cost (2008)
<b>Learning Areas</b>	<b>Staff</b>	
	1 Teacher per 25 students K-2, per 30 students 3-12	\$47,267
	1 Specialist teacher for every 5 teachers	\$47,267
	1 Principal per 500 students	\$101,014
	1 Principal admin Assistant per 500 students	\$42,177
	1 Guidance Counselor per 400 students	\$51,867
	1 Library Media Specialist per 500 students	\$47,267
	1 Technology Coordinator per 1,200 students	\$47,267
	1 Custodian per 500 students	\$36,628
	<b>Other</b>	
	Instructional Materials	\$250
	Technology	\$75
	Teacher Professional Development	\$20
	Facilities Operation and Maintenance	\$195
Transportation	\$315	
<b>TOTAL (base adequacy per student)</b>		<b>\$4,100</b>

# What does an 'Adequate' K-12 Education Cost?

An Example...

## 1. The Problem

The State of New Hampshire said that, for Allenstown's 511 students, an adequate education should cost **\$2,418,121** or **\$4,980** per student in 2022-23.

The Allenstown School District budget for 2022-23 was **\$12,243,949** or **\$24,197** per student.

***Let's see what we must pair down to reach the adequate education target budget...***

1. The Problem

2. Round 1 Cuts – Operations & Supplies

3. Round 2 Cuts – Learning & Program Support

4. Round 3 Cuts – Supporting Staff

5. Round 4 Cuts – Educational Staff

6. Potential Offenses

7. Tuition Cuts

8. Final Staff and Grade Cuts

# What does an 'Adequate' K-12 Education Cost?

An Example...

## 2. Round 1 Cuts – Operations & Supplies

1. The Problem	
<b>2. Round 1 Cuts – Operations &amp; Supplies</b>	
3. Round 2 Cuts – Learning & Program Support	
4. Round 3 Cuts – Supporting Staff	
5. Round 4 Cuts – Educational Staff	
6. Potential Offenses	
7. Tuition Cuts	
8. Final Staff and Grade Cuts	
	<ul style="list-style-type: none"><li>✗ Eliminate all busing (including special education busing)</li><li>✗ Eliminate all supplies, copier machines, liability insurance, plumbing and heating repairs</li><li>✗ Eliminate all educational materials (including new textbooks)</li><li>✗ Eliminate all art, music, and PE equipment</li><li>✗ Eliminate all Chromebook technology and software contracts</li><li>✗ Eliminate all payments on the school building bond (<i>resulting in default</i>)</li><li>✗ Eliminate all food services</li><li>✗ Eliminate grounds maintenance (including plowing)</li><li>✗ Eliminate SAU 53 costs (including the superintendent and staff) and fees for audits and attorneys</li></ul>

# What does an 'Adequate' K-12 Education Cost?

An Example...

## 3. Round 2 Cuts – Learning & Program Support

1. The Problem	
2. Round 1 Cuts – Operations & Supplies	
<b>3. Round 2 Cuts – Learning &amp; Program Support</b>	
4. Round 3 Cuts – Supporting Staff	
5. Round 4 Cuts – Educational Staff	
6. Potential Offenses	
7. Tuition Cuts	
8. Final Staff and Grade Cuts	
	<ul style="list-style-type: none"><li>X Eliminate all English Language Learner support</li><li>X Eliminate all special education contracted services</li><li>X Eliminate all special education appraisal services</li><li>X Eliminate all special education out-of-district placements</li><li>X Eliminate all co-curricular clubs, sports, field trips, and student assemblies</li><li>X Eliminate all summer programs</li></ul>

# What does an 'Adequate' K-12 Education Cost?

An Example...

## 4. Round 3 Cuts – Supporting Staff

1. The Problem	
2. Round 1 Cuts – Operations & Supplies	
3. Round 2 Cuts – Learning & Program Support	
<b>4. Round 3 Cuts – Supporting Staff</b>	
5. Round 4 Cuts – Educational Staff	
6. Potential Offenses	
7. Tuition Cuts	
8. Final Staff and Grade Cuts	
	<ul style="list-style-type: none"><li>✗ Eliminate two secretaries</li><li>✗ Eliminate three of 4 custodians</li><li>✗ Eliminate all school board stipends and fees</li><li>✗ Eliminate one of the 2 nurses</li><li>✗ Eliminate both guidance counselors</li><li>✗ Eliminate both street crossing guards</li><li>✗ Eliminate technology support personnel</li><li>✗ Eliminate the assistant principal</li><li>✗ Eliminate two of 17 special education paraprofessionals (and reduced special education coordinator to half-time)</li><li>✗ Eliminate special education speech/language pathologist</li><li>✗ Eliminate all substitute salaries</li><li>✗ Eliminate the reading specialist</li><li>✗ Eliminate the special education secretary</li><li>✗ Eliminate the library media specialist</li><li>✗ Eliminate the speech language pathologist</li><li>✗ Eliminate reduced library aid to half-time</li></ul>

# What does an 'Adequate' K-12 Education Cost?

An Example...

## 5. Round 4 Cuts – Educational Staff

1. The Problem	
2. Round 1 Cuts – Operations & Supplies	
3. Round 2 Cuts – Learning & Program Support	
4. Round 3 Cuts – Supporting Staff	
<b>5. Round 4 Cuts – Educational Staff</b>	
6. Potential Offenses	
7. Tuition Cuts	
8. Final Staff and Grade Cuts	

- ✗ Eliminate the art teacher
- ✗ Eliminate the music teacher
- ✗ Eliminate the physical education teacher
- ✗ Eliminate the behavior teacher
- ✗ Eliminate one of 7 special education teachers

# What does an 'Adequate' K-12 Education Cost?

An Example...

## 6. Potential Offenses

1. The Problem	2. Round 1 Cuts – Operations & Supplies	3. Round 2 Cuts – Learning & Program Support	4. Round 3 Cuts – Supporting Staff	5. Round 4 Cuts – Educational Staff	<b>6. Potential Offenses</b>	7. Tuition Cuts	8. Final Staff and Grade Cuts	<p>Aside from the clear decrease in the quality of the education provided as a result of the cuts, many of the cuts are also violations of laws &amp; education regulation</p> <table border="0"> <tr> <td data-bbox="440 352 1101 873"> <ul style="list-style-type: none"> <li>X Eliminate all busing (including special education busing)</li> <li>X Eliminate all English Language Learner support</li> <li>X Eliminate all special education contracted services</li> <li>X Eliminate all special education appraisal services</li> <li>X Eliminate all special education out-of-district placements</li> <li>X Eliminate all supplies, copier machines, liability insurance, plumbing and heating repairs</li> <li>X Eliminate all educational materials (including new textbooks)</li> <li>X Eliminate all art, music, and PE equipment</li> <li>X Eliminate all Chromebook technology and software contracts</li> <li>X Eliminate all co-curricular clubs, sports, field trips, and student assemblies</li> <li>X Eliminate two secretaries</li> <li>X Eliminate three of 4 custodians</li> <li>X Eliminate all school board stipends and fees</li> <li>X Eliminate all payments on the school building bond (resulting in default)</li> <li>X Eliminate all summer programs</li> <li>X Eliminate all food services</li> <li>X Eliminate the art teacher</li> <li>X Eliminate the music teacher</li> </ul> </td> <td data-bbox="1136 352 1825 895"> <ul style="list-style-type: none"> <li>X Eliminate the physical education teacher</li> <li>X Eliminate the behavior teacher</li> <li>X Eliminate all substitute salaries</li> <li>X Eliminate one of the 2 nurses</li> <li>X Eliminate both guidance counselors</li> <li>X Eliminate both street crossing guards</li> <li>X Eliminate technology support personnel</li> <li>X Eliminate the assistant principal</li> <li>X Eliminate two of 17 special education paraprofessionals (and reduced special education coordinator to half-time)</li> <li>X Eliminate special education speech/language pathologist</li> <li>X Eliminate one of 7 special education teachers</li> <li>X Eliminate the reading specialist</li> <li>X Eliminate the special education secretary</li> <li>X Eliminate the library media specialist</li> <li>X Eliminate the speech language pathologist</li> <li>X Eliminate reduced library aid to half-time</li> <li>X Eliminate grounds maintenance (including plowing)</li> <li>X Eliminate SAU 53 costs (including the superintendent and staff) and fees for audits and attorneys</li> </ul> </td> </tr> </table>	<ul style="list-style-type: none"> <li>X Eliminate all busing (including special education busing)</li> <li>X Eliminate all English Language Learner support</li> <li>X Eliminate all special education contracted services</li> <li>X Eliminate all special education appraisal services</li> <li>X Eliminate all special education out-of-district placements</li> <li>X Eliminate all supplies, copier machines, liability insurance, plumbing and heating repairs</li> <li>X Eliminate all educational materials (including new textbooks)</li> <li>X Eliminate all art, music, and PE equipment</li> <li>X Eliminate all Chromebook technology and software contracts</li> <li>X Eliminate all co-curricular clubs, sports, field trips, and student assemblies</li> <li>X Eliminate two secretaries</li> <li>X Eliminate three of 4 custodians</li> <li>X Eliminate all school board stipends and fees</li> <li>X Eliminate all payments on the school building bond (resulting in default)</li> <li>X Eliminate all summer programs</li> <li>X Eliminate all food services</li> <li>X Eliminate the art teacher</li> <li>X Eliminate the music teacher</li> </ul>	<ul style="list-style-type: none"> <li>X Eliminate the physical education teacher</li> <li>X Eliminate the behavior teacher</li> <li>X Eliminate all substitute salaries</li> <li>X Eliminate one of the 2 nurses</li> <li>X Eliminate both guidance counselors</li> <li>X Eliminate both street crossing guards</li> <li>X Eliminate technology support personnel</li> <li>X Eliminate the assistant principal</li> <li>X Eliminate two of 17 special education paraprofessionals (and reduced special education coordinator to half-time)</li> <li>X Eliminate special education speech/language pathologist</li> <li>X Eliminate one of 7 special education teachers</li> <li>X Eliminate the reading specialist</li> <li>X Eliminate the special education secretary</li> <li>X Eliminate the library media specialist</li> <li>X Eliminate the speech language pathologist</li> <li>X Eliminate reduced library aid to half-time</li> <li>X Eliminate grounds maintenance (including plowing)</li> <li>X Eliminate SAU 53 costs (including the superintendent and staff) and fees for audits and attorneys</li> </ul>
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					Violates Federal Law	Violates State Regulation	Violates Rqmts to be a Public School			

# What does an 'Adequate' K-12 Education Cost?

An Example...

## 7. Tuition Cuts

In addition, cut all tuition payments for 147 High School students

- Allentown budgeted \$2.2M for tuition to Pembroke Academy
- There is no way to control this line item, so it had to be cut

1. The Problem

2. Round 1 Cuts – Operations & Supplies

3. Round 2 Cuts – Learning & Program Support

4. Round 3 Cuts – Supporting Staff

5. Round 4 Cuts – Educational Staff

6. Potential Offenses

7. Tuition Cuts

8. Final Staff and Grade Cuts

# What does an ‘Adequate’ K-12 Education Cost?

An Example...

## 8. Final Staff and Grade Cuts

The Budget at this point is still far above the State’s “adequacy” level

In order to reach the State’s “adequacy” level of \$2,418,121 and given everything else that has been cut, the remaining items involve teaching staff

- Grades K-4 would have 29 students / teacher ratio
- Grades 5-8 would have 38 students / teacher ratio
- An “adequate education” would need end in the 8th grade...

1. The Problem

2. Round 1 Cuts – Operations & Supplies

3. Round 2 Cuts – Learning & Program Support

4. Round 3 Cuts – Supporting Staff

5. Round 4 Cuts – Educational Staff

6. Potential Offenses

7. Tuition Cuts

8. Final Staff and Grade Cuts

# What does an 'Adequate' K-12 Education Cost?

An Example...

1. The Problem	<h2>How does anyone believe that this will provide an adequate education for Allenstown's 511 students?</h2>
2. Round 1 Cuts – Operations & Supplies	
3. Round 2 Cuts – Learning & Program Support	
4. Round 3 Cuts – Supporting Staff	
5. Round 4 Cuts – Educational Staff	
6. Potential Offenses	
7. Tuition Cuts	
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# COMMUNITY COMPARISON

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# Basing School Funding on Property Tax results in county vs. county inequity based on Property Value

Property Value	Tax Rate (per Thousand)	Revenue Raised
\$1,000,000	\$10.00	<b>\$10,000</b>
\$400,000	\$10.00	<b>\$4,000</b>
<i>For a county with lower property value, to raise the target \$10,000 per student, a significantly higher tax rate would be required against the property value</i>		
\$400,000	<b>\$25.00</b>	<b>\$10,000</b>

# Home Property Tax Comparison



Welcome to 9 Northview Rd. This 3 bedroom, 1.5 bath home is sure to charm you in every way. If you are looking for your home to be in the heart of the lakes region, look no further. Less than 10 minutes to Gunstock Mountain Resort, 10 minutes to Gilford town beach, and 10 minutes to shopping and grocery stores.

2024 Market Price: \$489,000

2022 Tax Rate (w/SWEPT): \$5.00

2023 School Property Tax: \$2,445

**GILFORD**

Beautifully renovated! Don't miss this charming four bedroom, one full bath Cape on .34 acres, on a beautiful corner lot! Brand new kitchen with shaker style cabinets, granite countertops, stainless steel appliances, vinyl plank flooring throughout the main living area. Open concept kitchen, dining room and living room

2024 Market Price: \$378,900

2022 Tax Rate (w/SWEPT): \$5,50

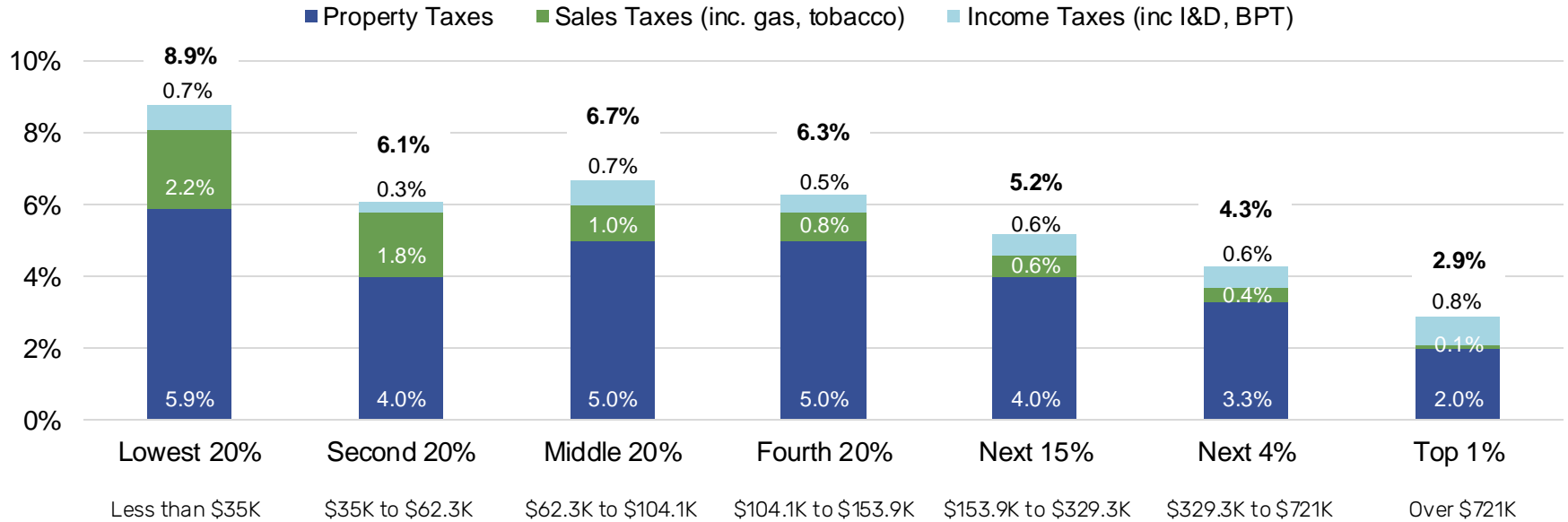
2023 School Property Tax: \$2,083

**FRANKLIN**

# Property Tax Reliance Adds to a of New Hampshire's Tax System

New Hampshire's reliance on property tax is the largest in the country for state revenue

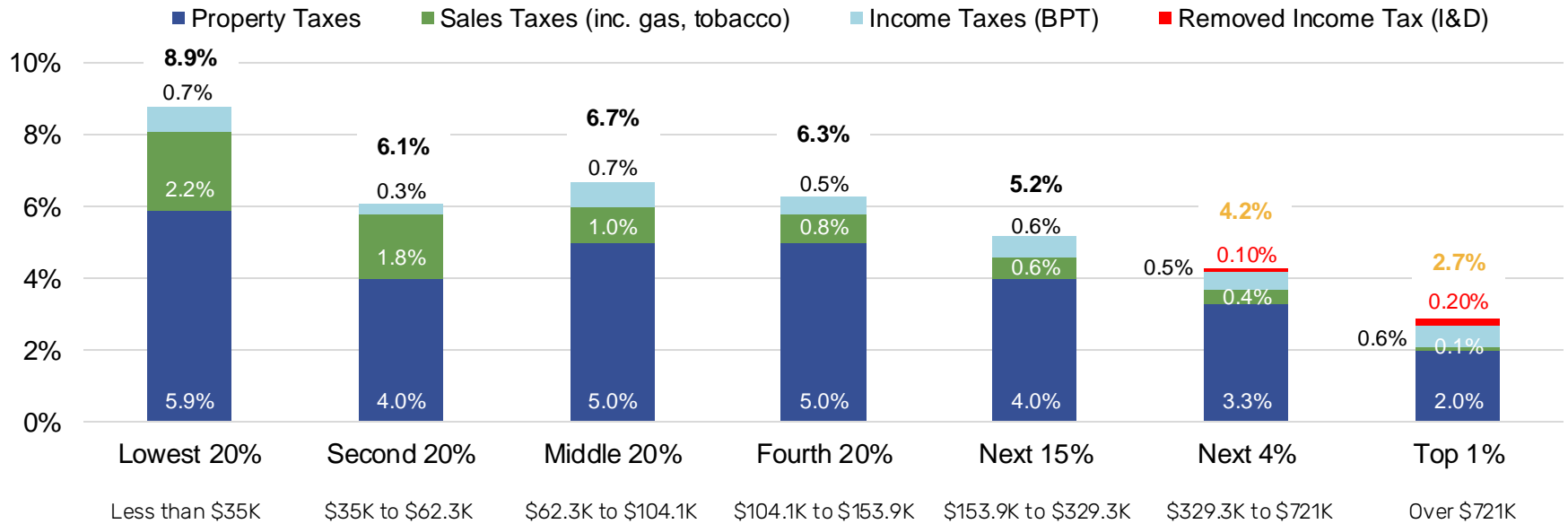
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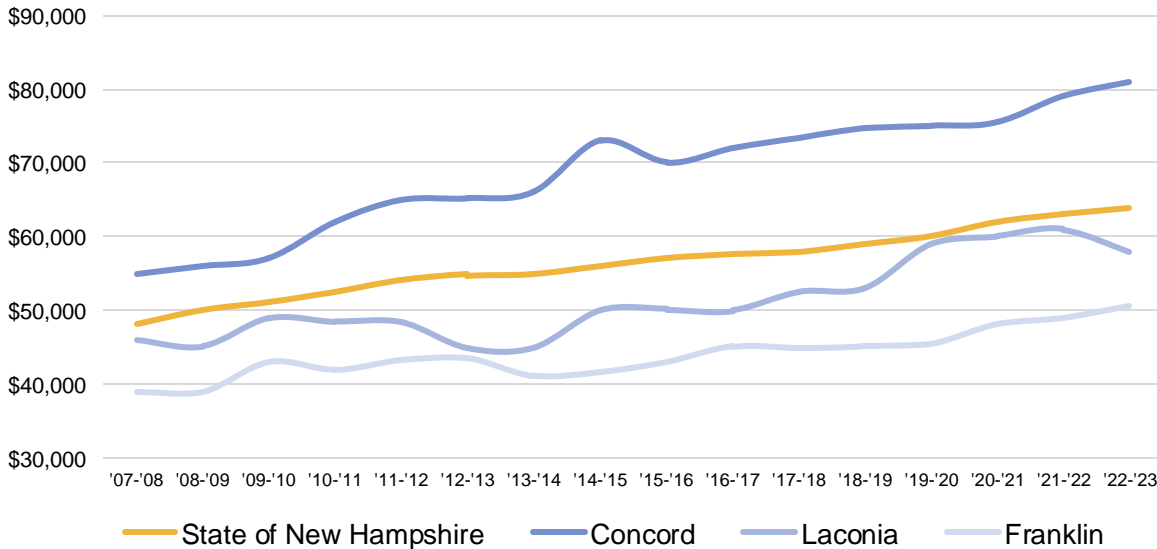
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# Property Tax Reliance Adds to Regressivity of New Hampshire's Tax System

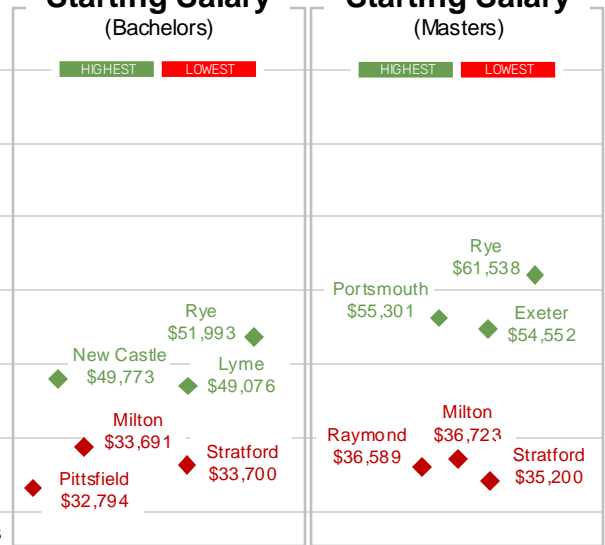
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### Avg Teacher Salary by County



### Starting Salary (Bachelors)

HIGHEST LOWEST



# RECENT LEGISLATION CHANGES & IMPACTS

---

# Contoocook Valley School District vs. New Hampshire

Started by the Contoocook Valley School District (ConVal) in 2019, the lawsuit argued that the amount of adequacy money is insufficient to provide an opportunity for an adequate education

## SUPPORT

Other school districts representing 25% of all public-school students joined

- Winchester
- Mascenic
- Monadnock
- Fall Mountain
- Claremont
- Newport
- Hillsboro-Deering
- Grantham
- Oyster River Cooperative
- Manchester
- Windham
- Derry Cooperative
- Hill
- Mascoma Valley Regional
- Nashua
- Lebanon
- Hopkinton
- Plainfield



DECISION



JUSTIFICATION

# Contoocook Valley School District vs. New Hampshire

Started by the Contoocook Valley School District (ConVal) in 2019, the lawsuit argued that the amount of adequacy money is insufficient to provide an opportunity for an adequate education

## DECISION

SUPPORT

"What is the base cost to provide the opportunity for an adequate education 239 years after that fundamental right was ratified in our Constitution...the base adequacy cost can be no less than **\$7,356 per pupil per year and the true cost is likely much higher than that.** At a minimum this is an increase of \$537,550,970 in base adequacy aid to New Hampshire Schools. **Thus, the current allocation of \$4,100 per pupil is unconstitutional.**"

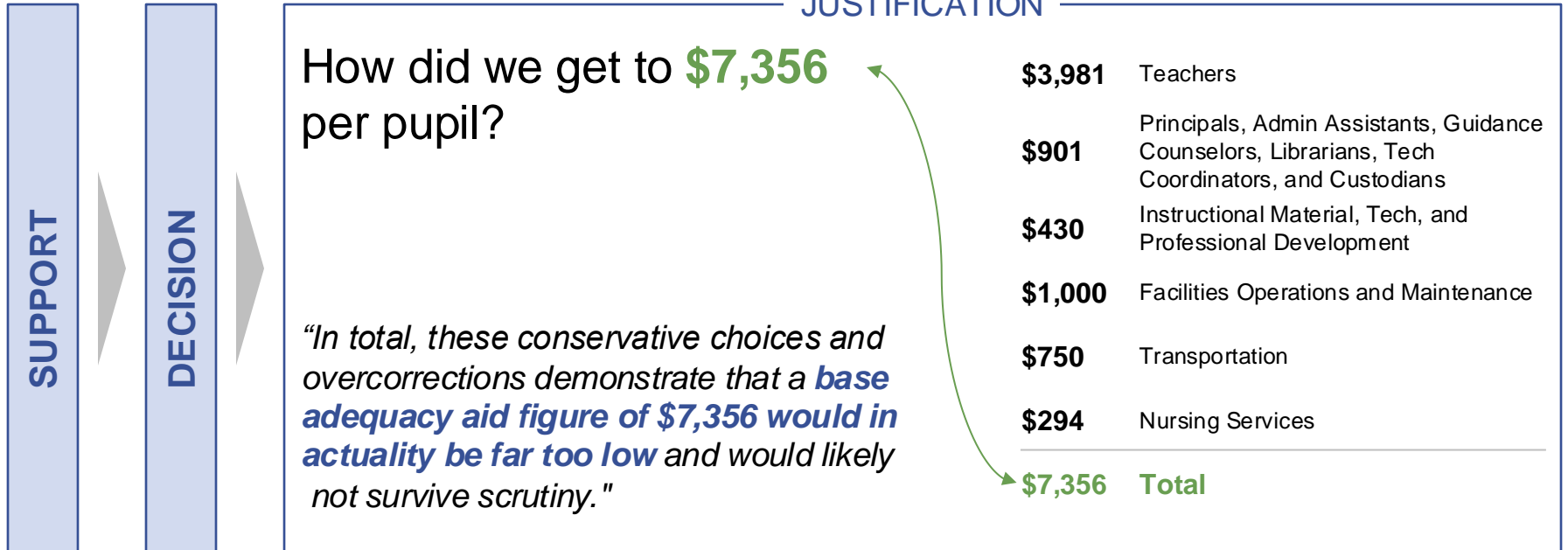
"**The State presented no evidence** to justify the current base adequacy amount. As predicted by the Court in its prior order on summary judgment, the evidence at trial overwhelmingly established that no school could provide the opportunity for an adequate education if it had to rely solely on the base adequacy aid from the State."

**-Decision in *ConVal v. State of New Hampshire***

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## JUSTIFICATION

How did we get to **\$7,356** per pupil?

<b>\$3,981</b>	Teachers
<b>\$901</b>	Principals, Admin Assistants, Guidance Counselors, Librarians, Tech Coordinators, and Custodians
<b>\$430</b>	Instructional Material, Tech, and Professional Development
<b>\$1,000</b>	Facilities Operations and Maintenance
<b>\$750</b>	Transportation
<b>\$294</b>	Nursing Services

**\$7,356 Total**

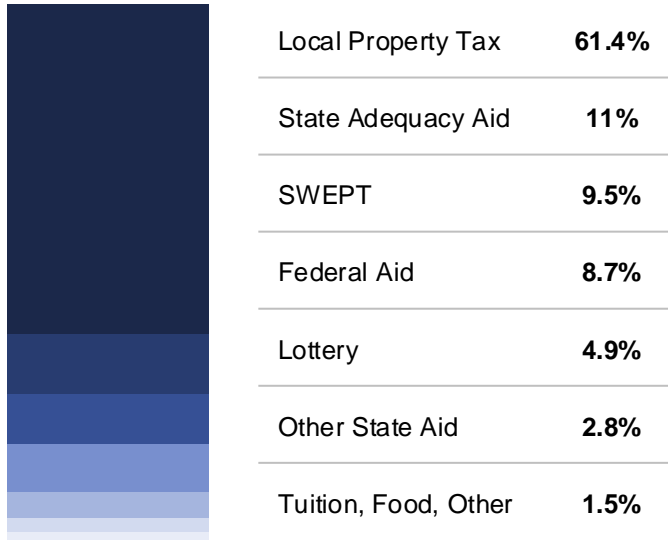
*"In total, these conservative choices and overcorrections demonstrate that a **base adequacy aid figure of \$7,356 would in actuality be far too low** and would likely not survive scrutiny."*

# An Updated Revenue Breakdown

As a result of ConVal's victory, the revenue as shown below has less reliance on local property taxes

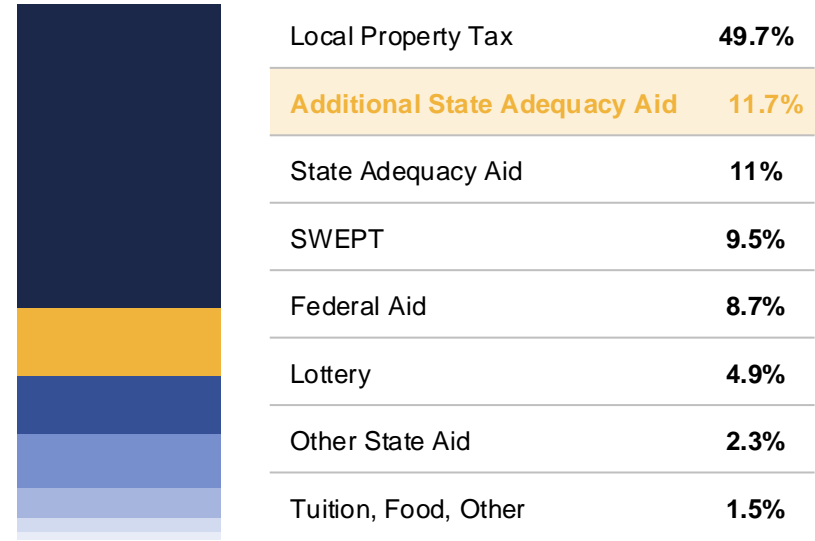
## '22 – '23 Revenue Breakdown of NH School Districts

**\$3.8B in Total Funding**



## NEW Revenue Breakdown with ConVal Impact

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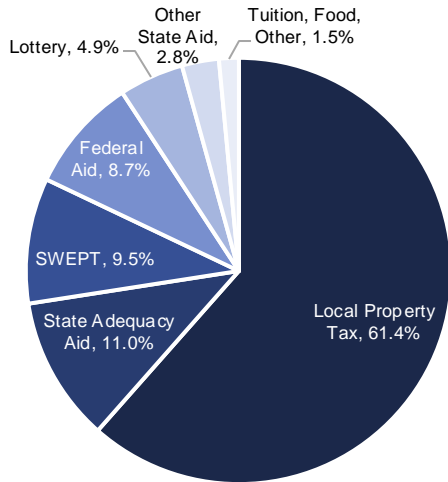


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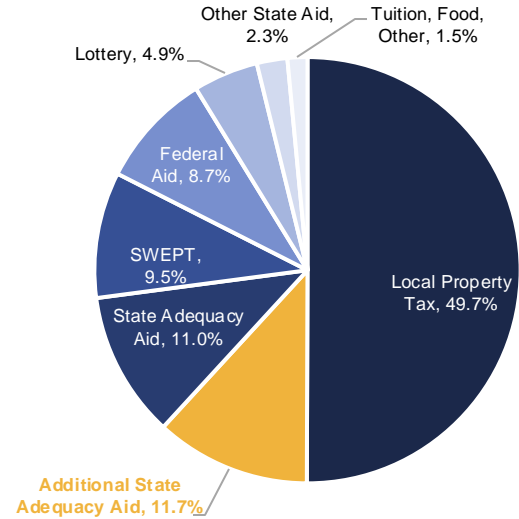
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## NEW Revenue Breakdown with ConVal Impact

**\$3.8B in Total Funding**



# Possible Revenue Sources

Given the ~\$537M gap identified between current and future required state aid for the school system, below are a few sources that could be used offset the difference & reduce local prop taxes

**01 | INCREASE CONTRIBUTION FROM SWEPT**  
Increasing the contribution from SWEPT by ~\$2.03 per \$1,000 would further fulfill the required funding

**02 | INTEREST & DIVIDEND TAX**  
Creating an interest & dividend tax in the state would generate ~\$135M in additional support for school funding

**03 | BUSINESS TAXES RETURNED TO 2015 VALUE**  
The NH Fiscal Policy Institute estimated the state lost ~\$496M - \$729M between 2015-2022 due to cutting business taxes

**SPEAK TO YOUR LEGISLATURE ABOUT HOW THEY PLAN TO COMPLY!**

# Rand vs. the State of New Hampshire (2022)

Group of taxpayers from Plymouth, Newport, Penacook, and Hopkinton claim that their rights are being violated due to non-uniform tax rates.

## SUMMARY

- Rand argues that local property taxes, used to fund the bulk of the State's funding obligation for public education, are **not uniform in rate**, which is a violation of standard defined in the Claremont rulings.
- The plaintiffs challenge both base adequacy aid and differentiated aid, contending that the State's obligation should be closer to average spending in the state (roughly \$18,400 plus transportation when filed).

JUDGEMENT MOTION

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Group of taxpayers from Plymouth, Newport, Penacook, and Hopkinton claim that their rights are being violated due to non-uniform tax rates.

## JUDGEMENT MOTION

### SUMMARY

1. The State allowing municipalities to retain excess SWEPT revenues is unconstitutional.
  - Currently, 52 municipalities retain excess SWEPT, and are estimated to retain \$26 million this year.
2. The NH Department of Revenue Administration approving **negative local education tax rates** to offset the payment of SWEPT is unconstitutional.
  - In 2022, 19 municipalities had negative local education tax rates, resulting in only generating \$239,464 from \$282.7 million in property value.

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  - In 2022, 19 municipalities had negative local education tax rates, resulting in only generating \$239,464 from \$282.7 million in property value.

**Beginning with the upcoming municipal budget cycle, all excess SWEPT revenues must be remitted to the State, and the money must be used as part of fulfilling the State's duty to fund an adequate education.**

# 2024 Legislation - Funding Changes

**HB 1583** – increase base adequacy to \$10,000

**HB 1656** – increase special education adequacy grant to \$27,000 per student

**HB 1670** – state pays for all special education costs

**HB 1586** – changes to adequacy formula, SWEPT, and property tax relief in line with Commission to Study School Funding recommendations

# 2024 Legislation - Funding Changes

**HB 1583**

**Amended:** ~\$64M in FY24 & +\$34M in FY25  
*\*uses estimated surplus in Education Trust Fund*

**HB 1656**

**Amended:** ~\$17M in FY 24

**HB 1670**

~~HB 1670~~—state pays for all special education costs—  
Recommended to Interim Study

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## HB 1583 estimated increase in funding

FRANKLIN	NORTHFIELD	TILTON
\$828,246 (FY25)	\$299,377 (FY25)	\$168,000 (FY25)
\$895,809 (FY 26)	\$336,447 (FY26)	\$222,674 (FY26)

**Both bills passed the House with bipartisan support on April 11<sup>th</sup> and will have public hearings in the Senate in the next few weeks!**

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# Franklin School Funding Resolution (Feb 2023)

WHEREAS the City of Franklin adopted an FY2023 budget that included a \$19,080,631 appropriation for the funding of our schools, and;

WHEREAS Franklin Schools is expected to receive \$9,876,543 in Adequate Education funding from the State of New Hampshire for the current school year, which includes \$886,084 raised through the Statewide Education Property Tax, which is effectively a local tax because the State does not collect the revenues raised, and reduces effective State aid to \$8,990,459, only 47.1% of the City's total cost of education, and an average of \$8,218 per enrolled pupil, and;

WHEREAS the City of Franklin's Equalized Value Per Pupil (total value of taxable property divided by Average Daily Membership in Residence) of \$947,482 is only 59% of the State average, meaning the taxpayers of Franklin must be charged a higher local tax rate to raise the same amount of money of districts with higher property values, and;

WHEREAS the City of Franklin and its students and taxpayers are harmed by New Hampshire's school funding model, relative to students and taxpayers in other communities, and;

WHEREAS the New Hampshire Supreme Court has ruled on multiple occasions that the State of New Hampshire has a constitutional responsibility to pay for the cost of education, and that the continued lack of action to address these rulings has exacerbated the problem to the extent that the State finds itself facing continued litigation on school funding, and;

WHEREAS the New Hampshire General Court has the ability and responsibility to change how education is funded in New Hampshire to bring it in line with the decisions of the Court and this constitutional responsibility, and

NOW THEREFORE BE IT RESOLVED that the Franklin School Board calls upon all of the City of Franklin's elected representatives serving in the State Legislature to work toward and support a school funding solution in the best interest of students and taxpayers, that increases the amount of State education funding received by Franklin Schools and reduces the property tax burden on the taxpayers of Franklin.

# SUMMARY & ACTIONS

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# What actions can you take?

1



Talk to your Legislatures

2



Testify on Legislation

3



Can't testify in person? Use our advocacy tools to email testimony

4



Share our content on social media

5



Write letters to the editor

6



Talk to your family, friends, and neighbors

7



Subscribe to our newsletter to stay up to date with school funding news and ways to get involved