

Testimony of Zack Sheehan,
Executive Director, NH School Funding Fairness Project,
on HB 550 before House Education Funding Committee January 21, 2025

Chairman Ladd, Members of the Committee, thank you for the opportunity to offer testimony on HB 550. 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 continues to make worse the deep and enduring inequities in educational opportunity for our students 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 \$5,297.53 per student, on average** – and actual per pupil expenditures – **\$22,106 per student, on average**, for the 2023-24 school year – highlight these inequities. This lack of funding creates huge disparities in equalized school property tax rates.

These inequities 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 **over \$2.7 billion** in costs each year. That is \$2.7 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, which is the highest share in the country.

HB 550 seeks to address some of these inequities by increasing the base cost of an adequate education in line with the ruling in the ConVal school funding lawsuit issued by the Rockingham Superior Court in November 2023.

Contrary to claims made by some, the ruling in ConVal did not call for an increase in total public school funding, but a shift in where that money comes from. If base adequacy were increased to this figure, local property taxes could be decreased in most communities across the state. The base adequacy number proposed in HB 550 could decrease the overall share of public school funding paid for by local property taxes from 70% to about 45%.

Additional claims have incorrectly stated that if the ConVal decision, or in this case the provisions of HB 550, were to be enacted they could only be paid for by eliminating other elements of the school funding formula that provide additional support to communities with lower average incomes or lower property values. This is simply not true. That would be an active decision by this legislative body to wipe out those critical funds.

HB 550 also expands the definition of an adequate education to be more in line with recent court rulings. The State spent 5 years and millions of taxpayer dollars on out of state attorneys in the ConVal case only to provide “no evidence to justify the current base adequacy amount” according to the decision issues by Judge David Ruoff.

The State even argued in the Supreme Court last December that heat in classrooms is not necessary to provide a constitutionally adequate education. It's in the single digits outside today, how many of the adults in the room would be able to listen, learn, and discuss today without heat?

HB 550 is one way to address the complaints from the ConVal lawsuit specifically by increasing base adequacy. To be clear, this does not solve the problem. There would still be significant differences between school districts. But it could be a step in the right direction.

This is not a new issue. There is not a lack of data or evidence to show that such an inequitable funding scheme harms our students, our taxpayers, and our communities. If any of you need any such data, we would be happy to help supply it.

What is missing is not a lack of data, it is a lack of will to look this issue in the face and address it head on. Yes, that means talking about significant sums of money and examining revenues. Our children have a constitutional right to an adequate education. HB 550 is one of the legislative vehicles that could help address these issues.

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.

As of an hour ago, there were 426 people signed in support of HB 550, 155 from 63 different communities who took time to submit written comments in support. Only 10 people were signed in against the bill.