



NH SCHOOL  
Funding Fairness  
Project

# NH School Funding Fairness Project

Advocating to make school funding more  
equitable for students & taxpayers alike

**Merrimack, May 12th 2026**

# MERRIMACK HAS A LOT TO BE PROUD OF.



Planned and implemented a **Pathways To Graduation Program** along with expanding Extended Learning Opportunities



Incorporated early release days into the school calendar for important staff training



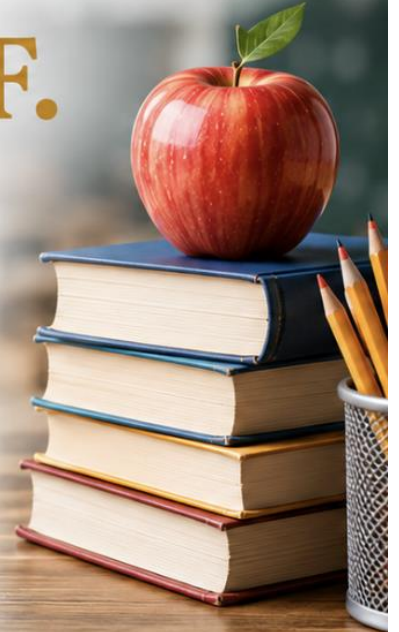
Significantly upgraded our curriculum in **literacy and science**, resulting in significant improvement in state testing



**Improved teacher compensation**, which has resulted in more and better candidates



Developed a **3-year Strategic Plan**, along with School Board Goal-setting meetings





— MERRIMACK HIGH SCHOOL —

# CHOP SHOP ROBOTICS

*Top 16 in the World!*

MHS Chop Shop robotics club earned a trip to the **FIRST World Championship** in **Texas**, competing against the best teams from around the globe.



**FIRST World  
Championship**  
in Texas



**Top 16**  
Teams in  
the World



**4th Place**  
Finish in  
Their Division



# EXCELLENCE



*Beyond the Classroom!*



Partnered with the local **American Legion** to create an excellent girls' softball field



**TFS AWARD**  
from VOYA  
Financial Services  
for **Hydroponic Project**



**MHS**  
**5 TIME CHAMPIONS**  
of the Granite State  
Challenge



MHS musicians consistently rank the best in the state and across **New England**, with multiple awards across bands, jazz bands, music festivals, and voice competitions

TOP STORY

## Jaffrey-Rindge avoids déjà-vu amid effort to slash budget

By Noah Diedrich Sentinel Staff Feb 5, 2026 Updated Feb 5, 2026

The Keene Sentinel

## At an educational crossroads, Pittsfield debates future of schools amid funding challenges

CONCORD MONITOR



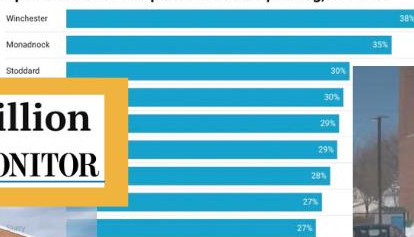
TOP STORY

## Cost of special ed causes conflict in small towns

By Abigail Ham Sentinel Staff Feb 19, 2026

The Keene Sentinel

Special education as percent of total spending, 2023-24



## Concord School District grapples with \$17 million budget shortfall

CONCORD MONITOR



## Manchester schools could slash \$15 million from budget to comply with tax cap

By Paul Feely Union Leader Staff Feb 12, 2026 Updated Feb 14, 2026

NEW HAMPSHIRE UNION LEADER



ROCHESTER SCHOOL BOARD WEIGHING OPTIONS AFTER \$4.5 DEFICIT; CONSIDERS CLOSING ELEMENTARY SCHOOL

WMUR9

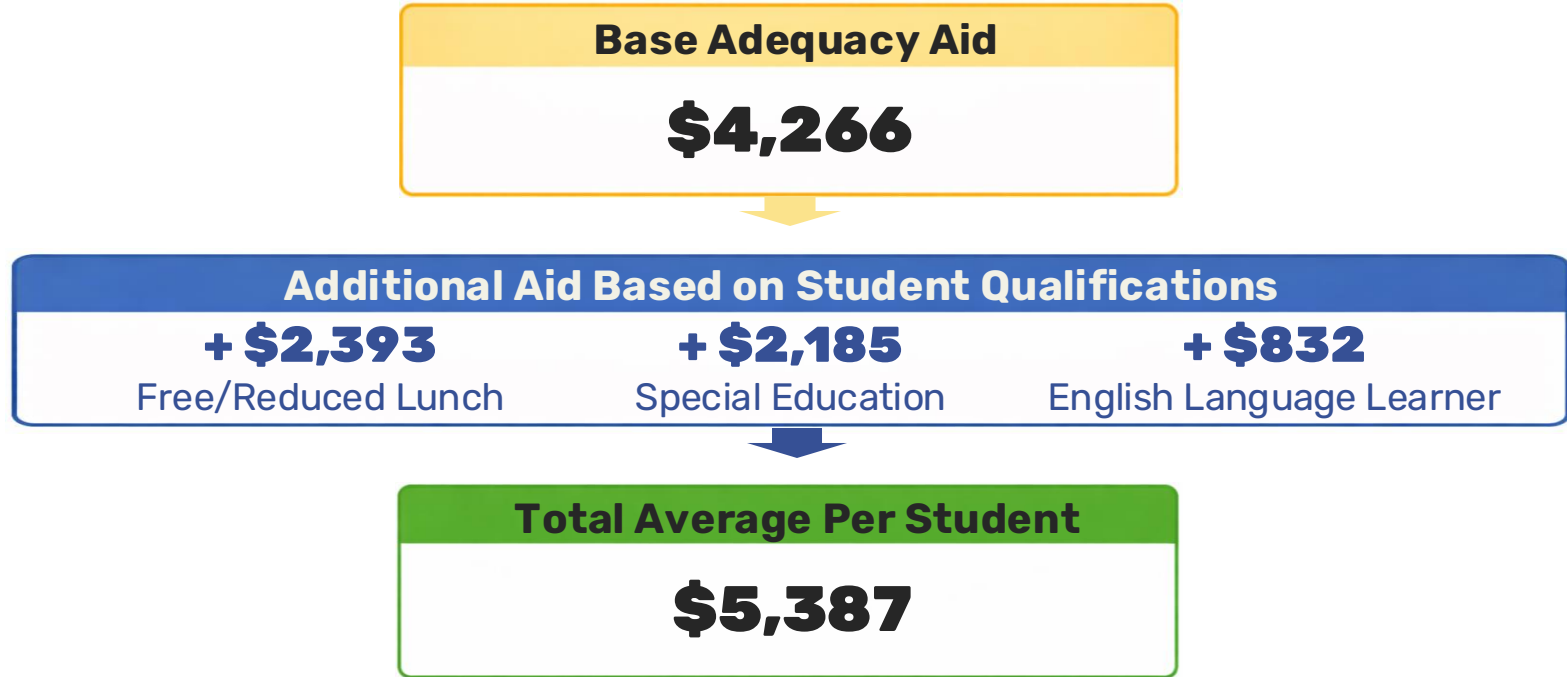
## Facing \$4.5M deficit, Rochester officials say they may need to close school, cut jobs

WMUR9 abc



NH SCHOOL Funding Fairness Project

# How NH Calculates the Cost of an Adequate Education



# New Hampshire School Funding 2024-2025

NH Relies Overwhelmingly on Local Property Taxes to Fund Public Education

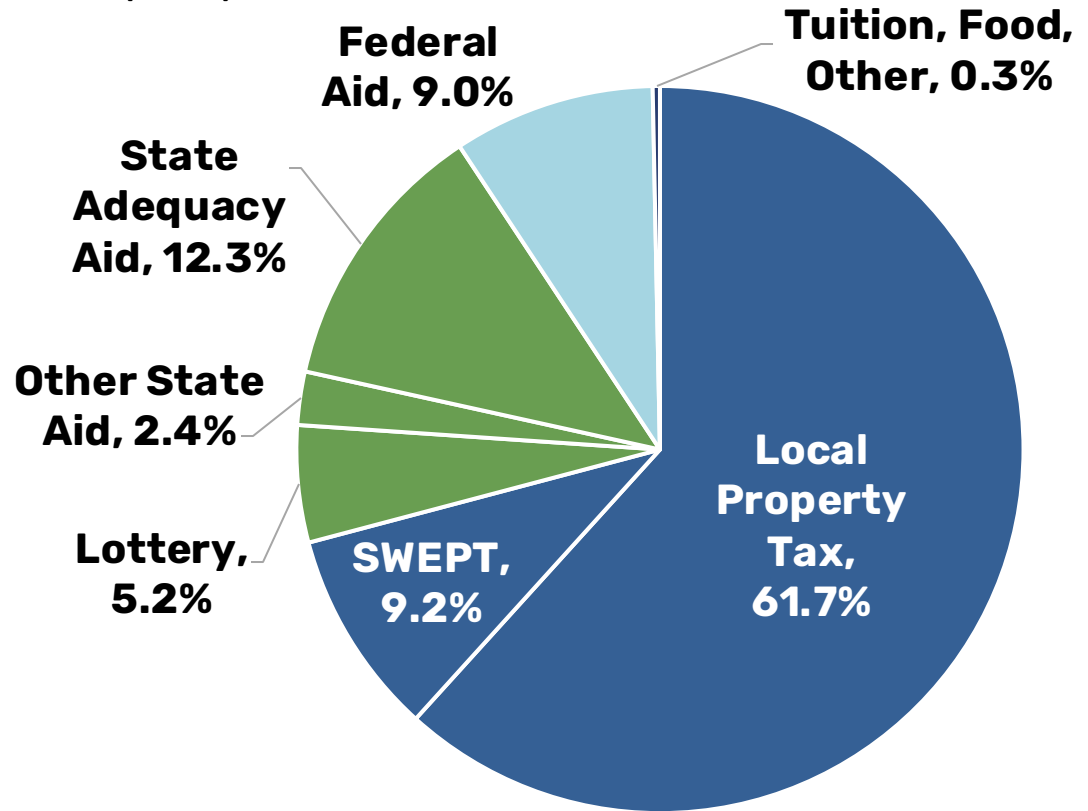
## Current System:

**\$4B in Total Revenue**

**Federal Aid: 9%**

**State Revenue: 19.9%**

**Property Taxes: 70.9%**



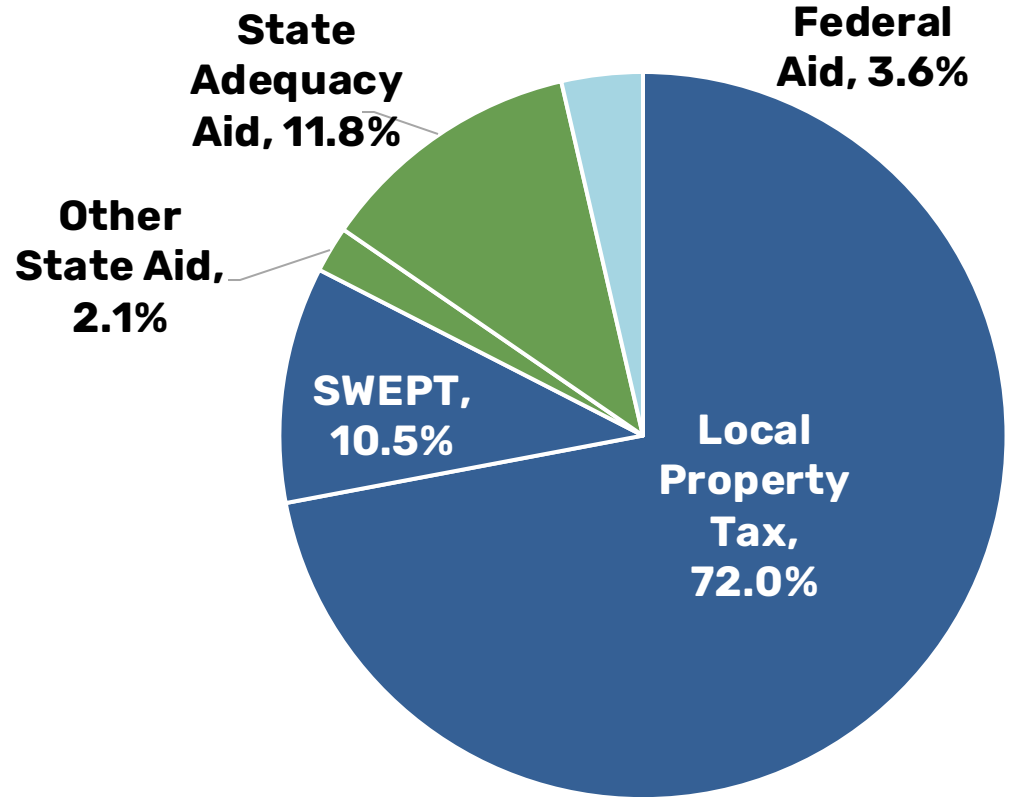
# Merrimack School District 2016-2017

**\$66,465,410 in total revenue**

**Federal Aid: 3.6%%**

**State Revenue: 13.9%**

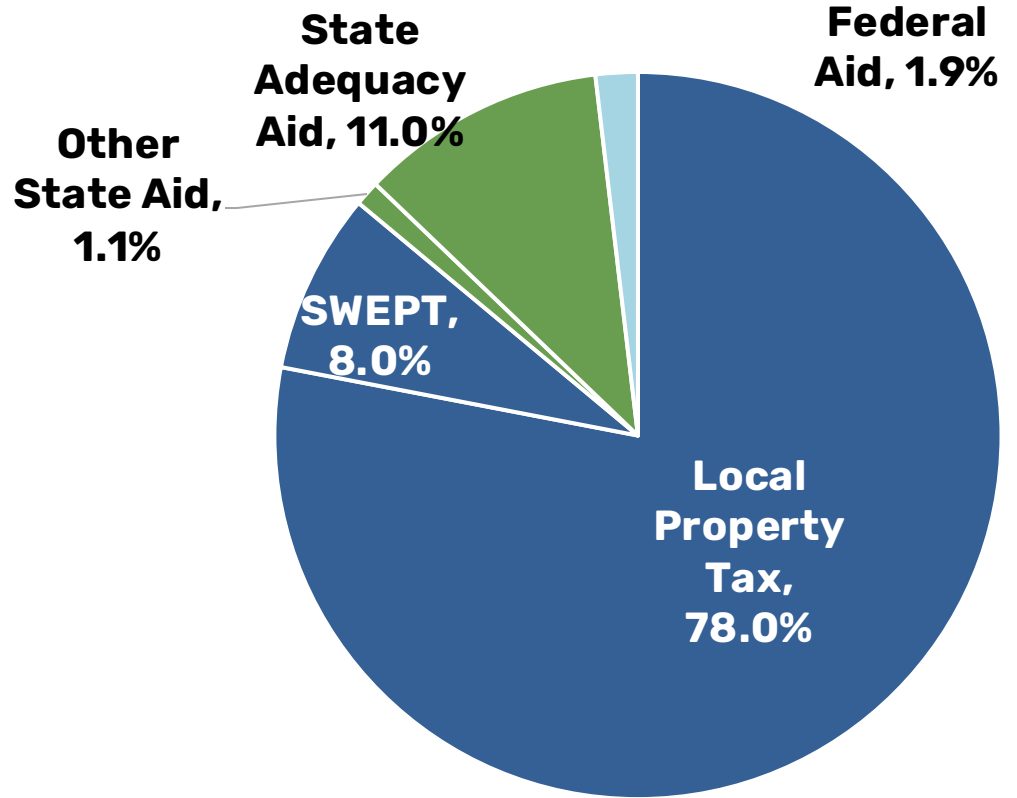
**Property Taxes: 82.5%**



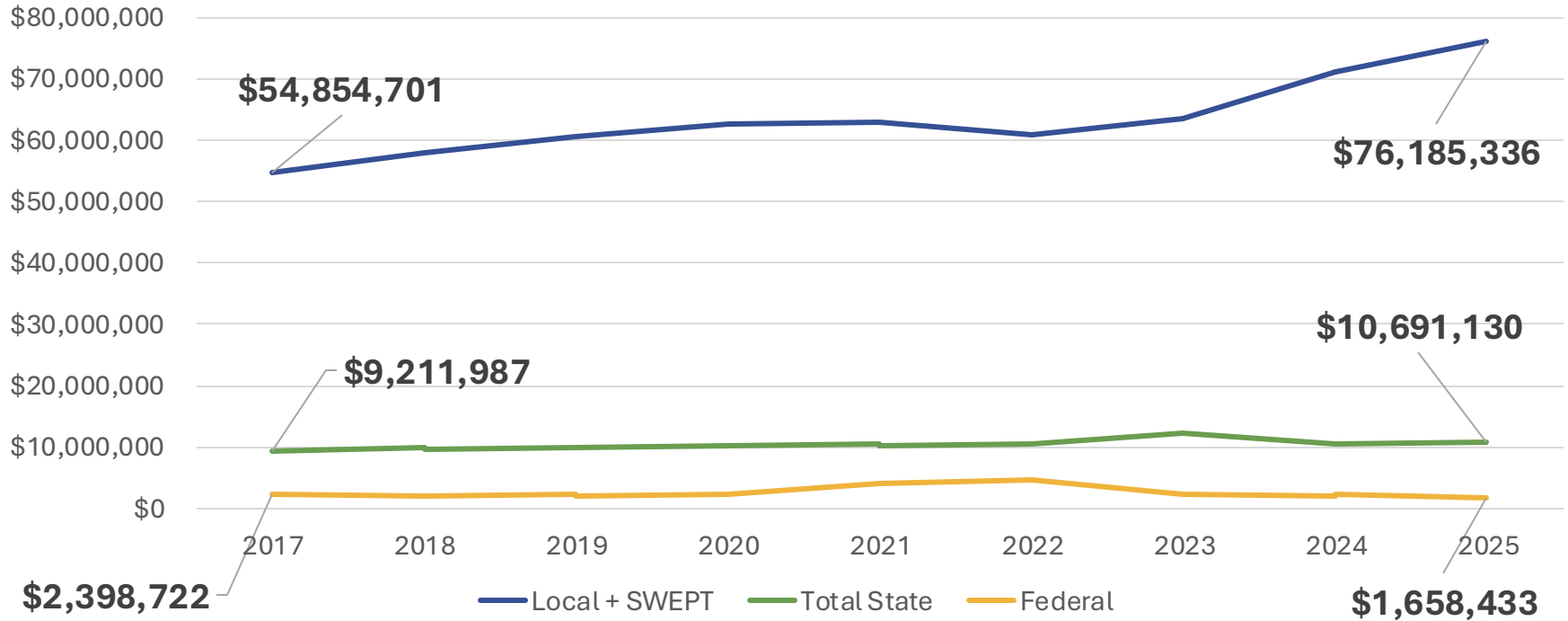
# Merrimack School District 2024-2025

**\$88,534,899 in total revenue**

**Federal Aid: 1.9%**  
**State Revenue: 12.1%**  
**Property Taxes: 86%**



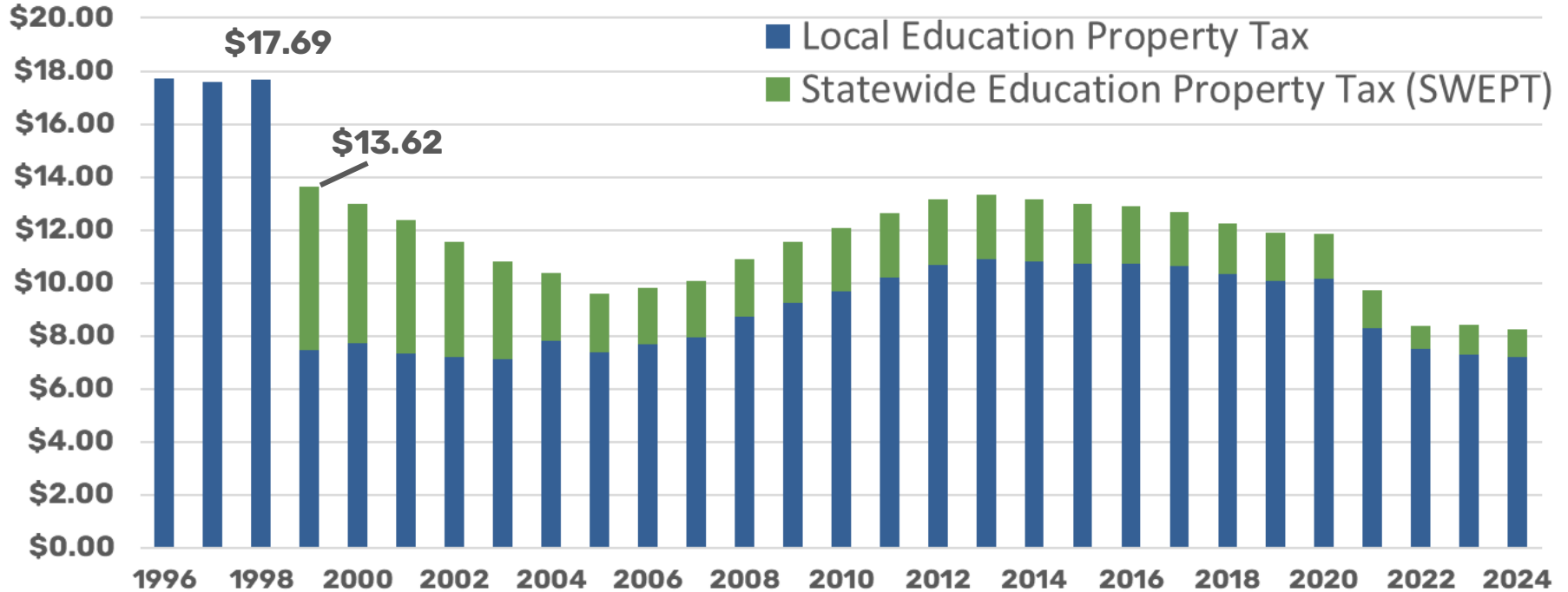
# Merrimack School District Revenue 2017-2025



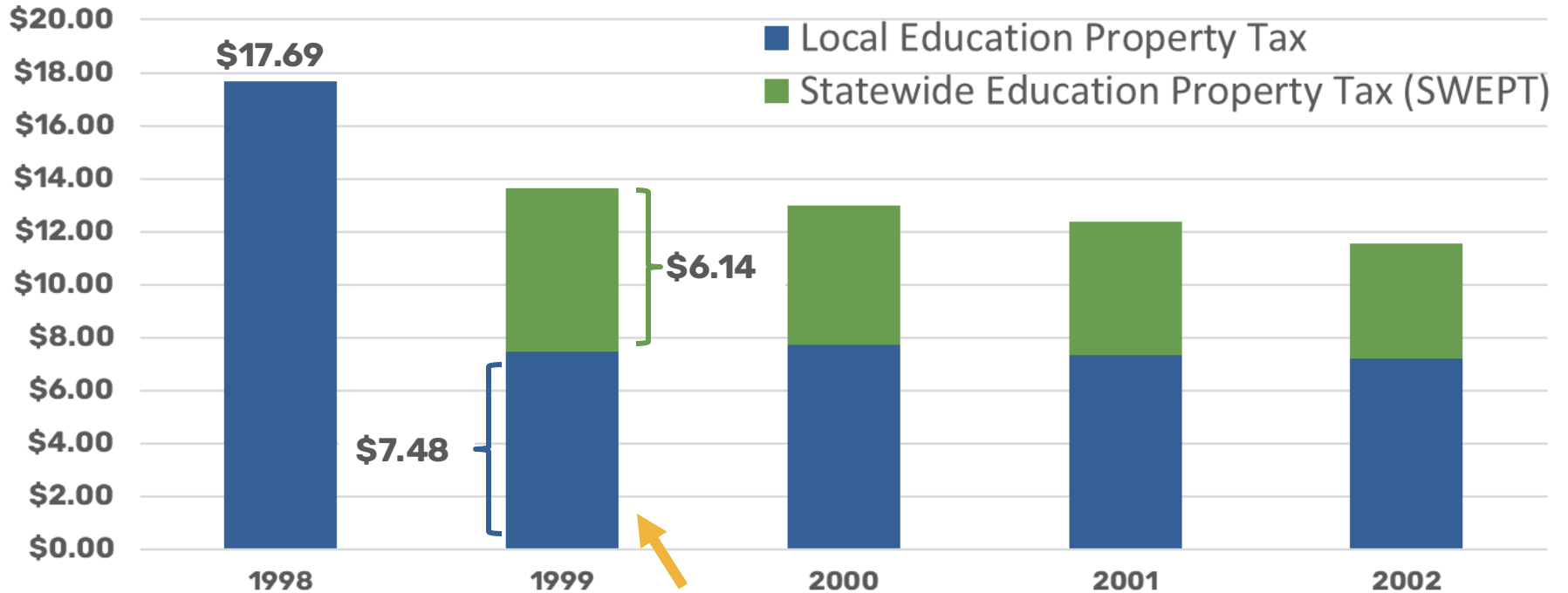
## Costs Are Outpacing Wage Increases

- Since June 2020, median sale price for a single-family home jumped from **\$340k to \$565k**.
- Since 2018, median rent for 2BR apartment jumped from **\$1,296 to \$2,024**.
- Median household income in New Hampshire did not cover basic costs for a four-person family in 2024, **falling nearly \$2,000 short**.
- Compared to a 2015 four-person family, a 2024 family had **over \$17,000 less in surplus income annually**.

# NH Average Education Tax Rates 1996-2024/25

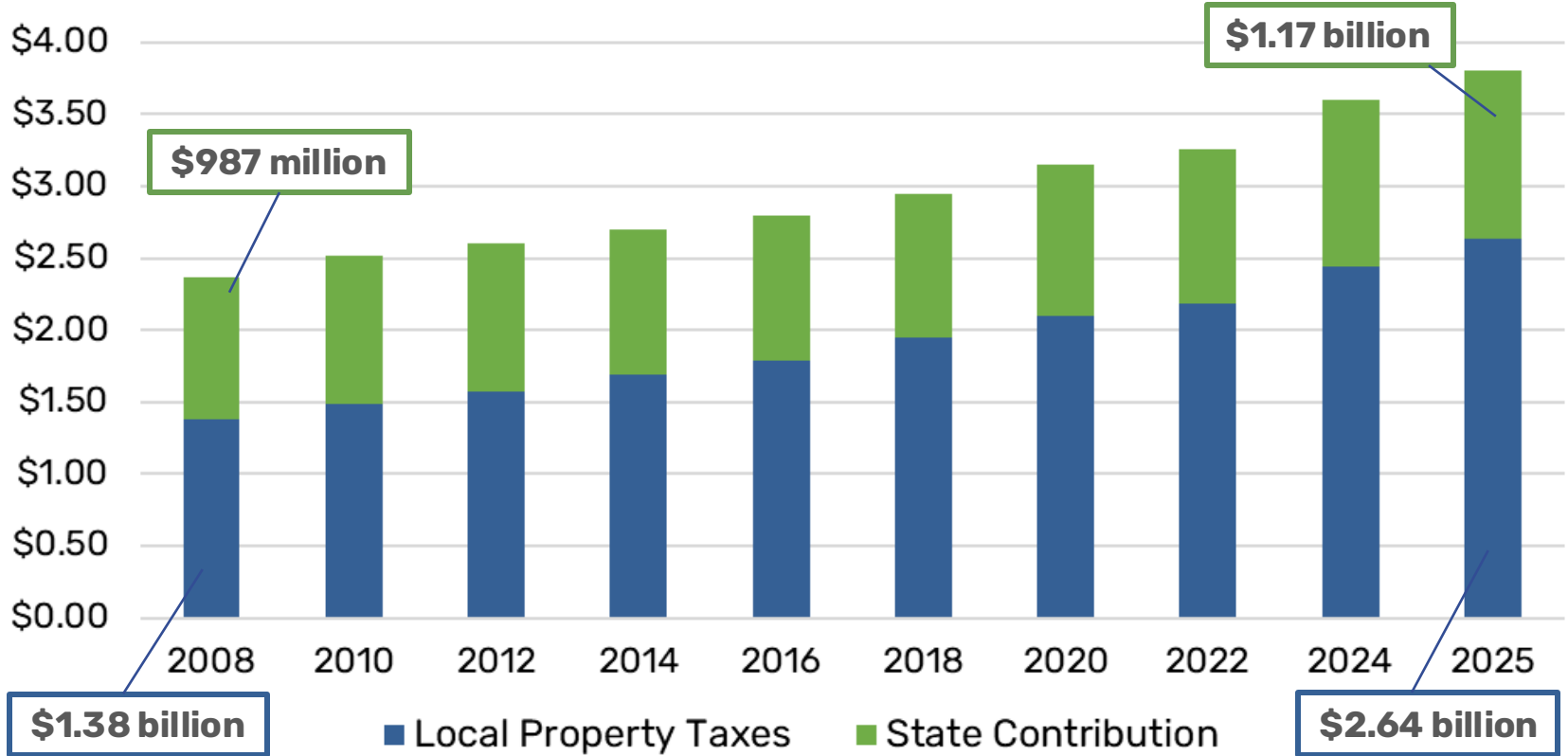


# NH Average Education Tax Rates 1996-2024/25



First year of new SWEPT & + \$825 million from the State for adequacy funding

## Local and State Public Education Contributions in Billions



# Property Taxes Vary Wildly Across the State

	<b>Median Household Income</b>	<b>Equalized Education Property Tax Rate</b>	<b>Amount Raised per pupil by education property taxes</b>	<b>Education Property Bill on \$500k House</b>
Merrimack	\$127,219	\$10.61	\$22,834	\$5,305
Portsmouth	\$106,219	\$5.32	\$27,549	\$2,660
Bedford	\$167,418	\$10.22	\$18,720	\$5,110
Salem	\$110,490	\$7.97	\$21,889	\$3,985
Manchester	\$81,007	\$6.18	\$10,494	\$3,090
Derry	\$108,944	\$11.51	\$16,530	\$5,755

# The Claremont Rulings

In the 90s, 5 school districts sued the state to fight for education funding equality

The State must fund a **constitutionally adequate** education using a **uniform rate** across the state.



# Recent Rulings

Two new lawsuits have affirmed the State's responsibility to fund public education

## ConVal lawsuit:

Filed in 2019 and concluded with July 2025 NH Supreme Court Ruling in favor of the school districts.

## Rand lawsuit (2022):

Filed in 2022, recent August 2025 ruling in favor of the tax payers. State appealed to NH Supreme Court.

## July 2025 - ConVal Supreme Court Ruling

NH Supreme Court ruled that the State needs to provide at least \$7,356.01 per student as a “conservative minimum threshold”.

Merrimack would have seen an increase of \$10,351,909 per year

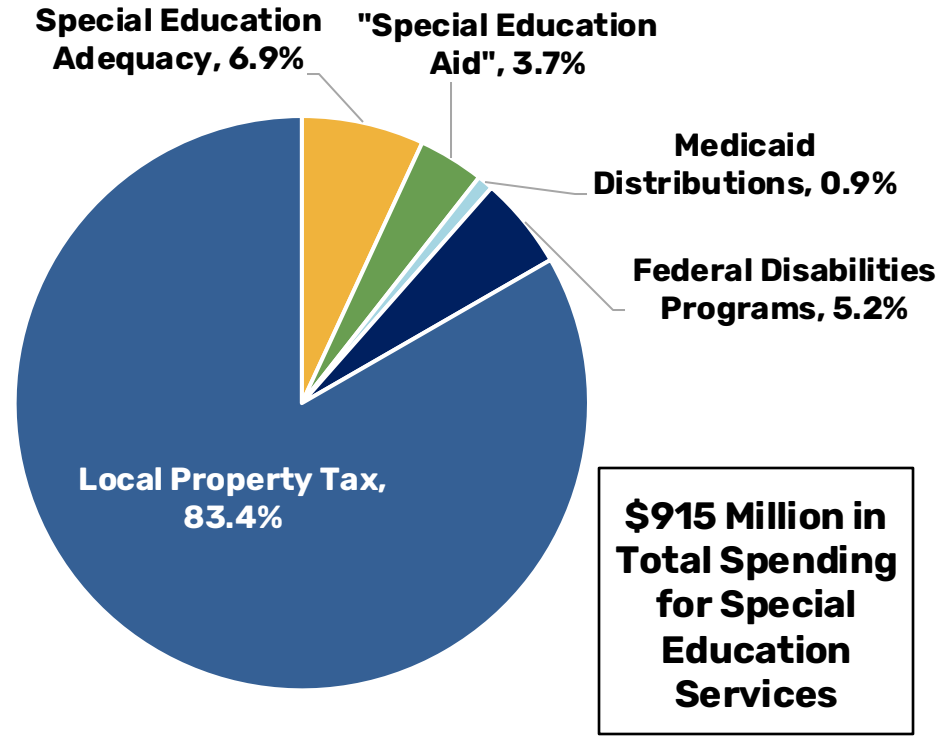
# August 2025 Rand Superior Court Ruling - "The Math Does Not Lie"

## Major Elements in Landmark Ruling

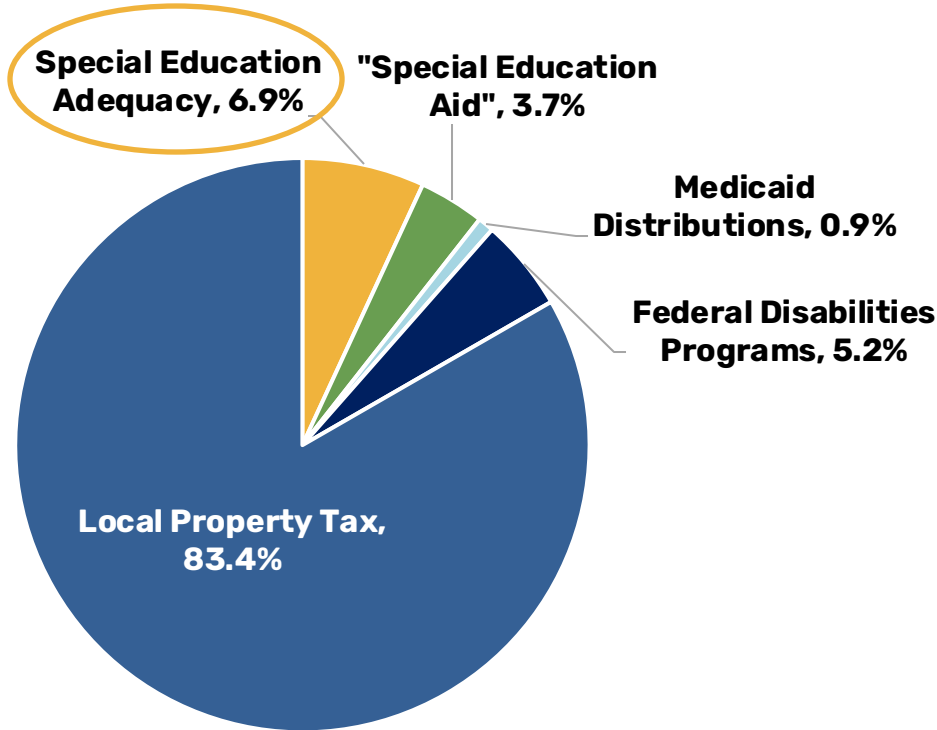
Minimal adequacy funding from the state, especially for **special education services**, is unconstitutional.

The lack of funding forces different property taxes across the state which is also unconstitutional.

State should **at least double** funding to districts to address these violations.



# The Consequences of Underfunding Special Education



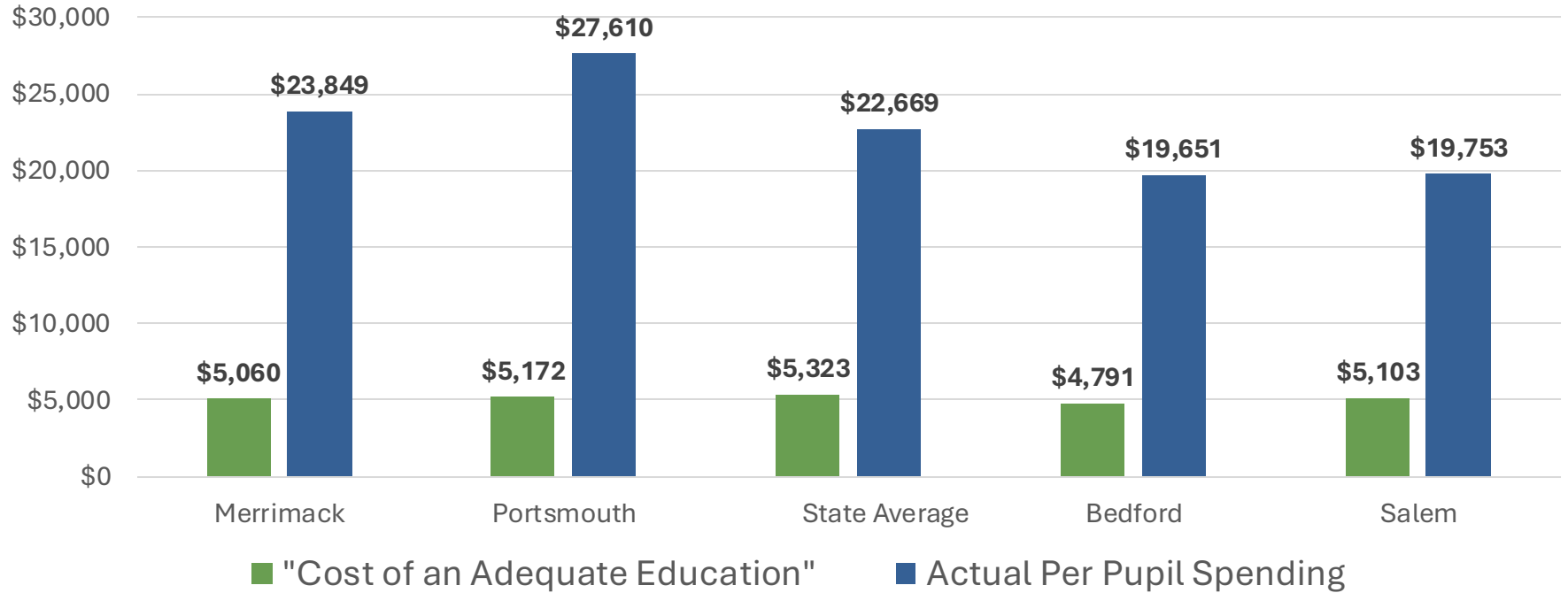
**What happens when local residents must pay for most of these federally required services?**

- Taxpayers and districts are at odds
- Students become budget line items. Special education is viewed as a burden, not a protected right.
- Meeting student needs often means cutting the budget elsewhere
- Mid-year enrollments or changes make accurate budgeting difficult

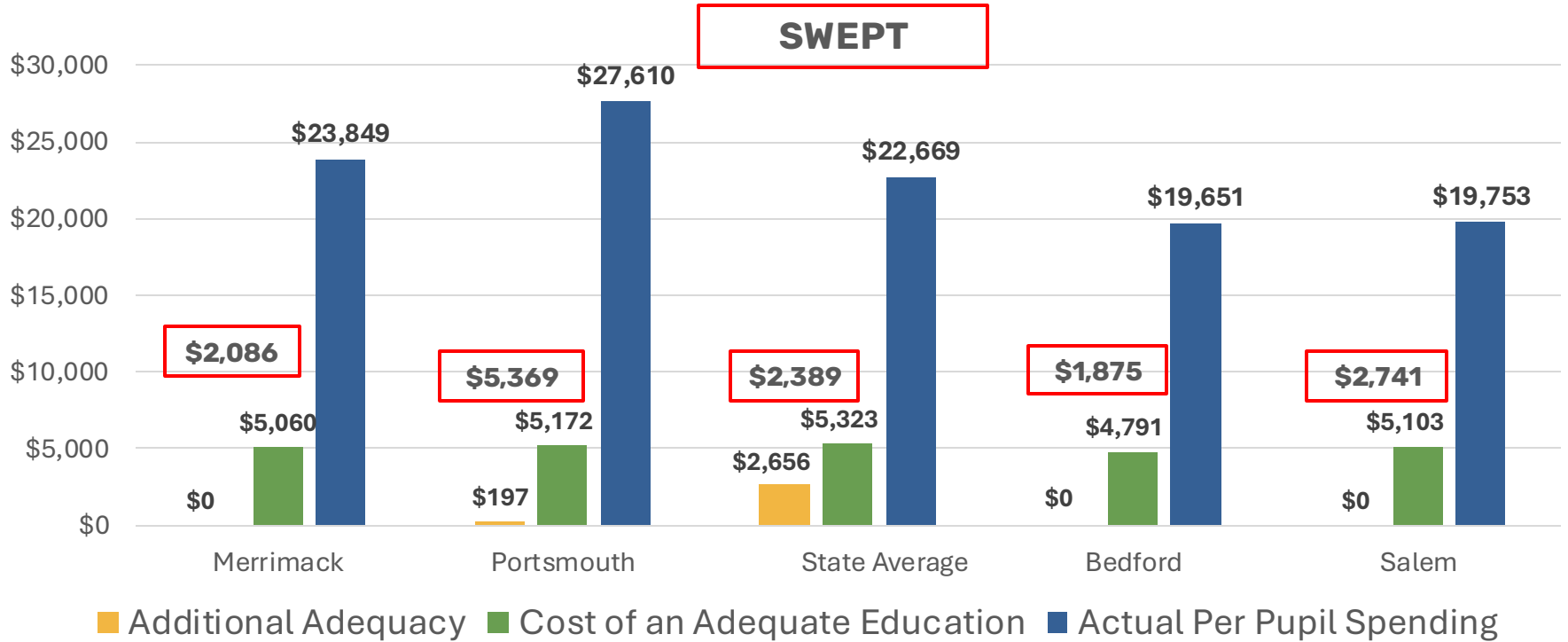
# State 2026 Appeal (in Rand) to Supreme Court: “Overturn Claremont”

1. Ask the Court to explicitly overturn the Claremont decisions.
2. Argue that education funding is a “political question.”

# “Cost of an Adequate Education” vs Actual Spending



# Full Adequacy Payments vs Actual Spending



# Is the state's contribution enough to run a school district in the real world?

The 2023 Allenstown School District budget was **\$12.24 million**. This worked out to be about **\$24,200** per student. The State of NH only provided **\$2.42 million** to fund an adequate education.

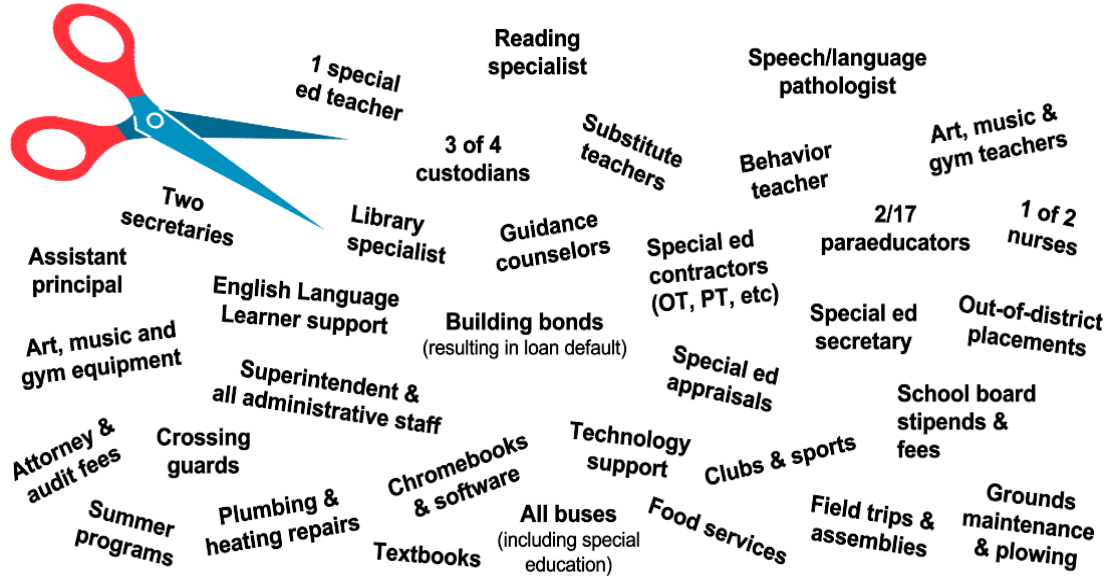
We asked Allenstown school administrators to create an imaginary school budget using **only this money from the state**.

This is what they had to cut to make the numbers work...



- 1 special ed teacher
- Reading specialist
- Speech/language pathologist
- 3 of 4 custodians
- Substitute teachers
- Behavior teacher
- Art, music & gym teachers
- Two secretaries
- Library specialist
- Guidance counselors
- Special ed contractors (OT, PT, etc)
- 2/17 paraeducators
- 1 of 2 nurses
- Assistant principal
- English Language Learner support
- Building bonds (resulting in loan default)
- Special ed appraisals
- Special ed secretary
- Out-of-district placements
- Art, music and gym equipment
- Superintendent & all administrative staff
- Special ed appraisals
- School board stipends & fees
- Attorney & audit fees
- Crossing guards
- Technology support
- Clubs & sports
- Summer programs
- Plumbing & heating repairs
- Chromebooks & software
- Food services
- Field trips & assemblies
- Textbooks
- All buses (including special education)
- Grounds maintenance & plowing

# It still wasn't enough.



# What's left?

**Eliminate high school altogether.** An "adequate" education in Allenstown ends in the 8th grade.

**Cut teachers until:**

**K-4 grades have  
29 students/teacher ratio**

**5-8 grades have  
38 students/teacher ratio**

# How State Legislation Plays a Role

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# 125 New or Increased Fees Passed in 2025 State Budget

- New permits for maple syrup products
- Increased licensing fee per bed for nursing facilities
- Increased registration fees for cars, motorcycles, antique cars, antique motorcycles, vanity plates, mopeds, & more
- Increase registration fee for agricultural tractors, air compressors, log splitters, cement mixers, & more

## **Business Tax Rate Reductions Led to Between \$795 Million and \$1.17 Billion in Forgone Revenue for Public Services Since 2015**

**“Prior research provides no evidence that reducing these tax rates increased revenue.”**

**“Business Tax Rate Reductions Generated Net Revenue Loss, Not an Increase”**

**“No Significant Statistical Relationship Exists Between Business Profits Tax Rates and Job Growth”**

# HB 155 (2026) – Cutting the Business Enterprise Tax (BET)

- Average business paying BET would save estimated **\$47 per month**  
*Excluding businesses with more than \$18 million in taxable compensation the average savings are only **\$28 per month***
- Almost half of BET filers do not owe any BET which means no savings
- Largest 306 filers (average tax base of \$61.5 million each) would save estimated **\$2,561 per month**
- Will reduce revenue to the State by **more than \$26 million annually**

*Data from the NH Fiscal Policy Institute*

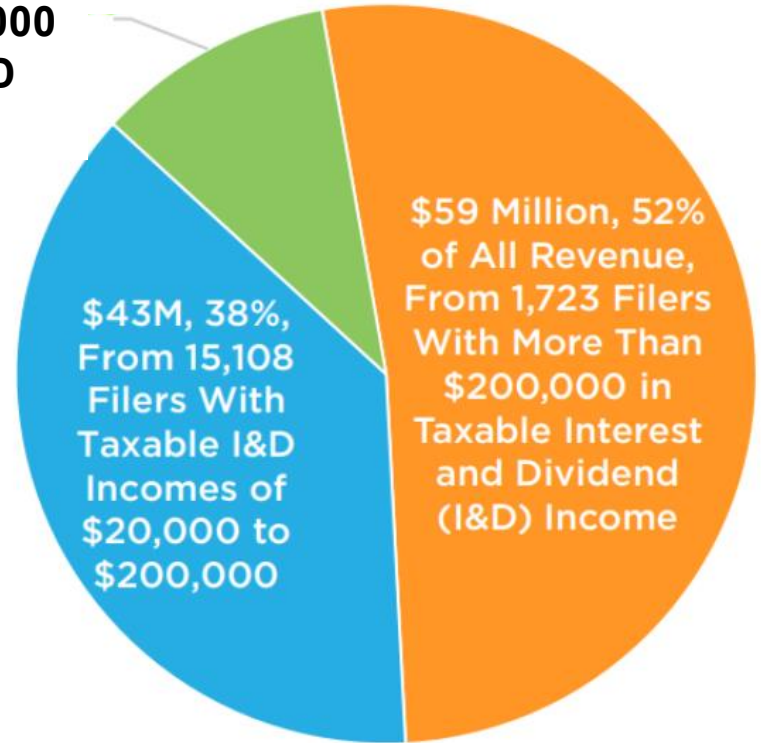
## HB 155 (2026) – Recent Developments

- Senate amended the bill to slightly raise the limits required to pay BET – providing a small amount of relief to smaller businesses.
- Statement on the Senate Floor last week: “This bill came over from the House and sought to lower the business enterprise tax, the **largest benefits of which would have been to primarily the large multi state, multinational corporations,** and would have resulted in a \$52 million annual revenue loss to the state. Given the current economic climate, the committee believed that this to be fiscally imprudent.”

**\$12M, 10%, From  
51,833 Filers With  
Less Than \$20,000  
in Taxable I&D  
Income**

# Repeal of Interest and Dividends Tax Disproportionately Benefits Wealthy NH Households

I&D brought in \$184.3 million in fiscal year 2024, according to unaudited figures from the Department of Administrative Services.



Source: New Hampshire Department of Revenue Administration, 2022 Annual Report

# Education Freedom Accounts: a voucher by any other name

## Vouchers come to NH

\$80k income threshold

**1,635** students enrolled

**\$8.0 million** program cost

**\$7.7 million over projection**

## Income threshold increased

\$105k threshold (family of 4)

**4,552** students enrolled

**\$23.8 million** program cost

**\$4 million over budget**

## Universal eligibility: SB295

No income restrictions

**10,510** students enrolled

**\$51.6 million** program cost

**\$12.3 million over budget**

*"This is really to help those less fortunate"*

2021: Senator Denise Ricciardi, Bedford

**2021**

**2022**

**2023**

**2024**

**2025**

## The program grows

No additional income proof

**3,110** students enrolled

**\$15.2 million** program cost

## Compliance review issues

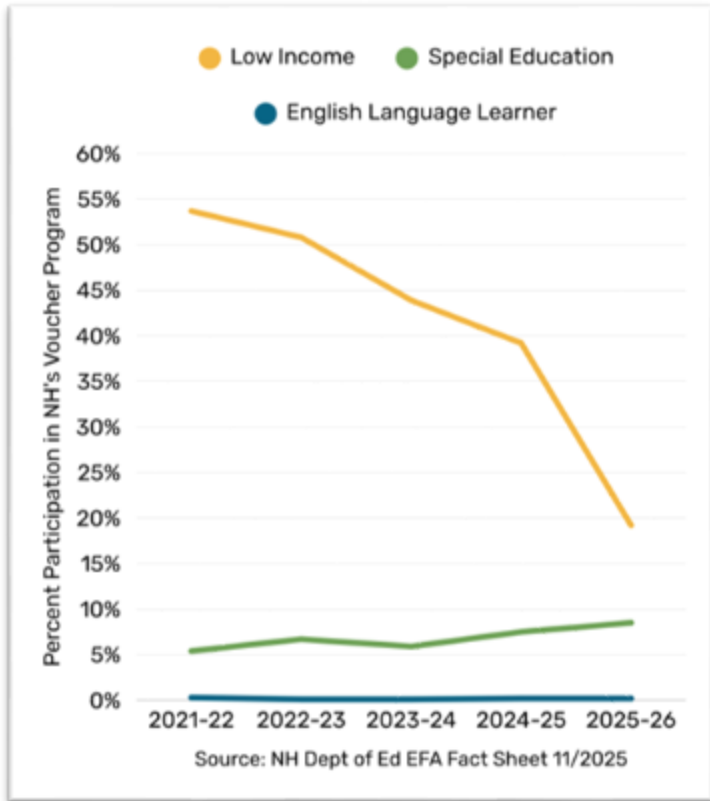
**25% of accounts have errors**

**5,765** student enrolled

**\$30.4 million** program cost

**\$10.6 million over budget**

# Who Are Vouchers Really For?

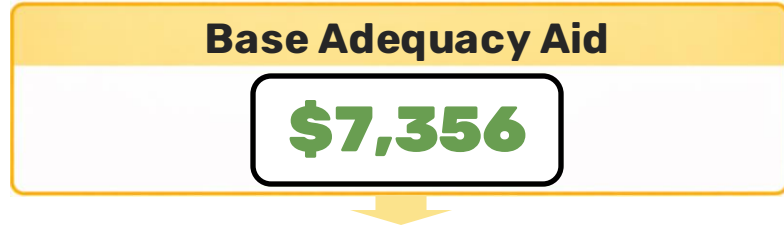


Legislators in 2021 originally pitched vouchers as a solution for lower income families who couldn't afford private school.

All income restrictions were eliminated in June 2025. The program doubled in size, driven mostly by wealthier families signing up for the first time.

92.8% of new voucher recipients this year were already in private or home school last school year. Because they weren't attending public school to begin with, these students represent \$21.6 million in new costs to taxpayers.

# HB 651 – Killed by the NH House January 7, 2026



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**Merrimack would have received an additional \$12,253,117 per year which could have reduced property taxes on a \$500,000 home by up to \$850 per year**

# HB 1815 (Now Law) & SB 659 – Coordinated Efforts

- **Does not increase state funding for education**
- **Does not reduce property taxes**
- Redefines public education as a system of “shared responsibility” between the state and local communities
- Changes how the cost of an adequate education is defined, so state aid is only counted *toward* that cost, not as the full obligation

**Weakens the state’s clear responsibility to fund an adequate education, shifting risk to local communities.**

# School Budget & Tax Caps

- **2025** – new law enabled dozens of local school budget caps proposed – most overwhelmingly defeated by local voters
- **HB 675** – statewide mandated school budget cap that would remove local control, lock in inequities, and not allow communities to respond to variable costs. Framed as the “property tax firewall” bill.
  - Copycat amendment stripped from the budget in 2025 by the full NH House.
  - Full bill killed by the full NH House January 2026.

# HB 1300 – Another Attempt to Force Tax Caps

- **HB 1300** – last minute amendment added that requires all districts to add a school budget tax cap question to the state ballot every two years.
  - Significant opposition from school and municipal leaders.
  - A pathway already exists to enact budget/tax caps locally. This solves no existing problems.
  - Forcing the question on a November ballot takes away community discussion opportunities during local meetings.

# Statewide Mandated Open Enrollment: SB101 and HB751

## Proponents say:

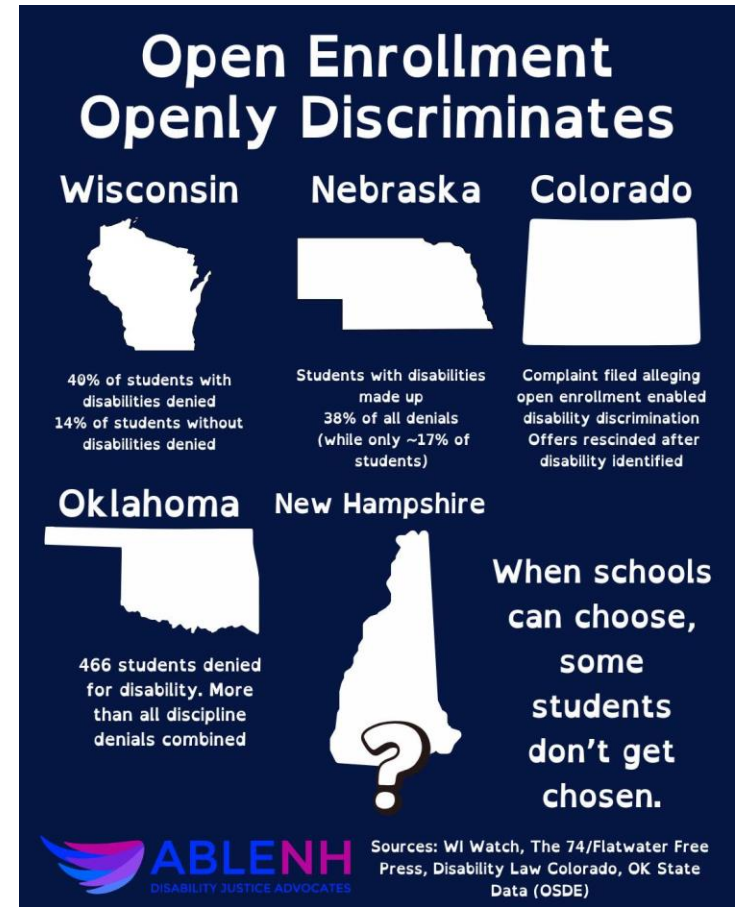
- The program **offers families choice** to find the best school fit for their students
- Competition will prompt districts to become **more attractive to entice student enrollment**

## Educators and school board members say:

- Families without the time and/or vehicle to transport their students **can't access** this option
- **Local budgets can't predict or sustain** the loss of state funding being sent to other districts
- Open enrollment in other states has actively **discriminated against students with disabilities**
- The bill **removes local control** from communities, forcing them to participate at potential great expense
- Poorer and rural districts may lose enough funds to **become insolvent**
- **Taxes will go up** in communities that lose more students than they gain
- The students who remain in "net negative" districts will have **fewer resources and less funding**

# Too many unanswered questions remain.

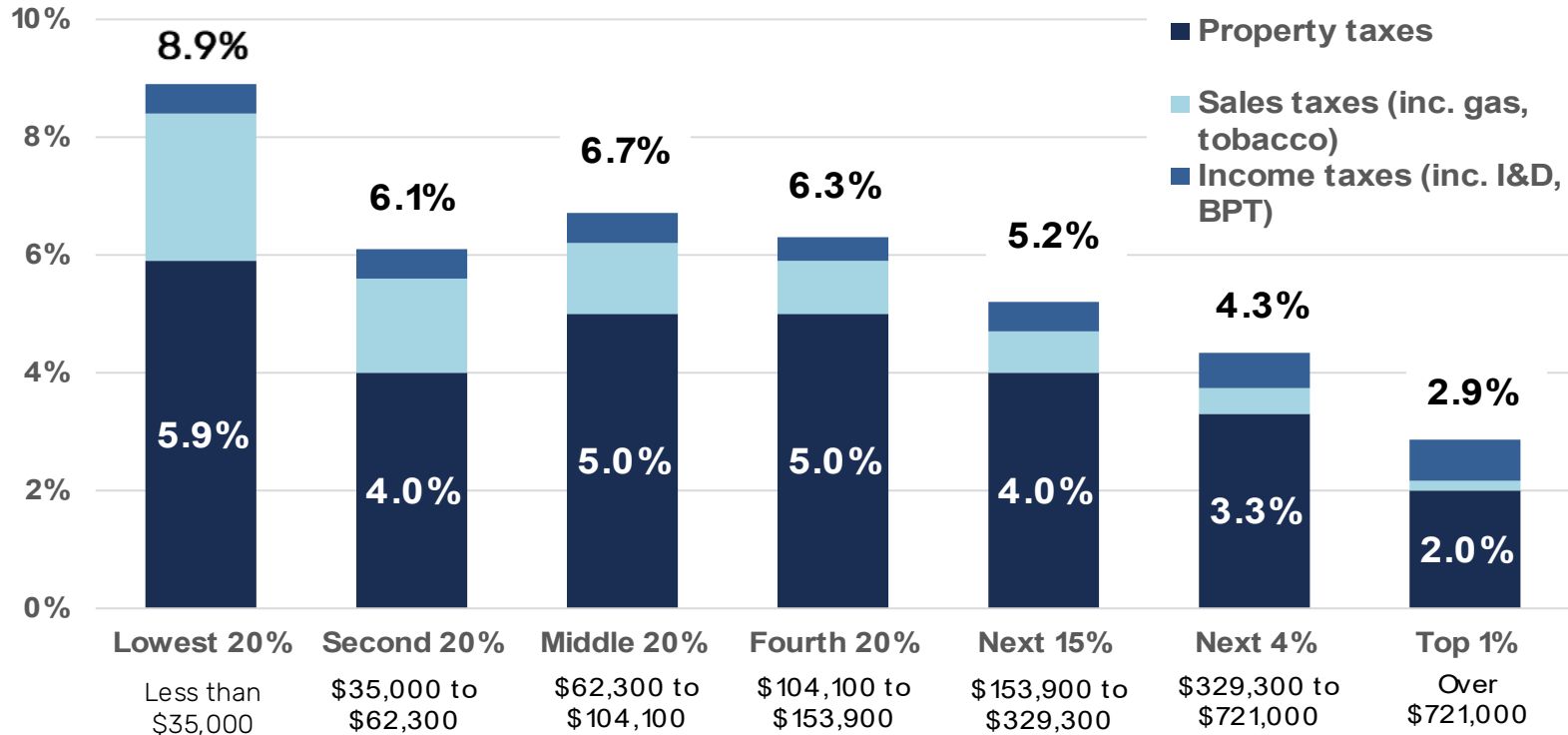
- Who monitors for athlete recruitment in districts that want to create "super teams"? Will the appearance of recruitment put student athlete college scholarships at risk?
- Will the state track how many rejections are due to a student's disability or medical/academic needs?
- What is the appeals process when a family feels their student was wrongly denied admission? Does this open up districts to future discrimination lawsuits, and at what cost?
- How will changing enrollment numbers affect districts receiving federal and state grant money for low-income students? Will this disproportionately affect some regions?
- How much new money will this cost taxpayers?



# Who Pays?

# Property Tax Reliance Adds is Regressive

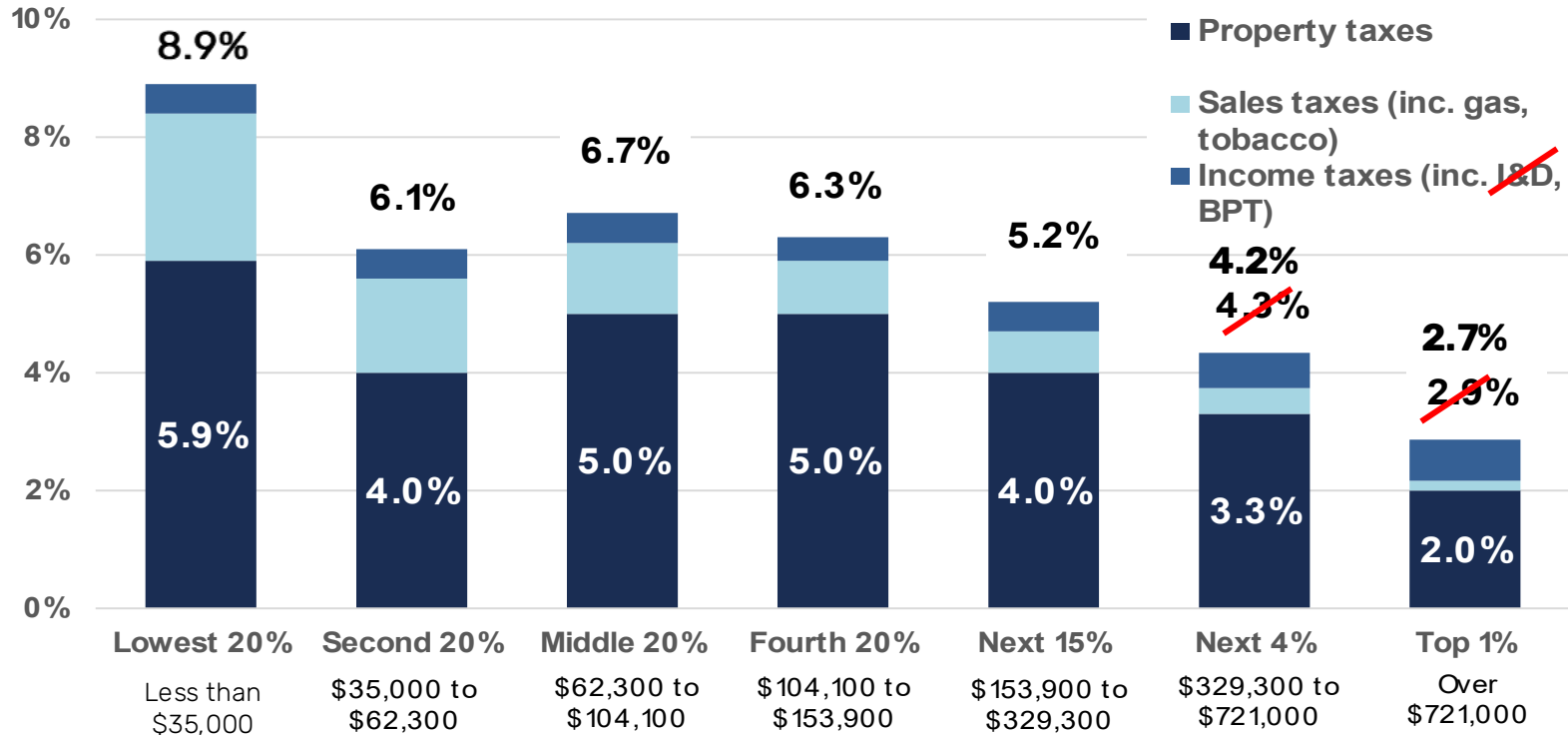
Taxes as a Share of Income, by Income Group, 2024



Source: Institute on Taxation and Economic Policy

# Property Tax Reliance Adds is Regressive

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



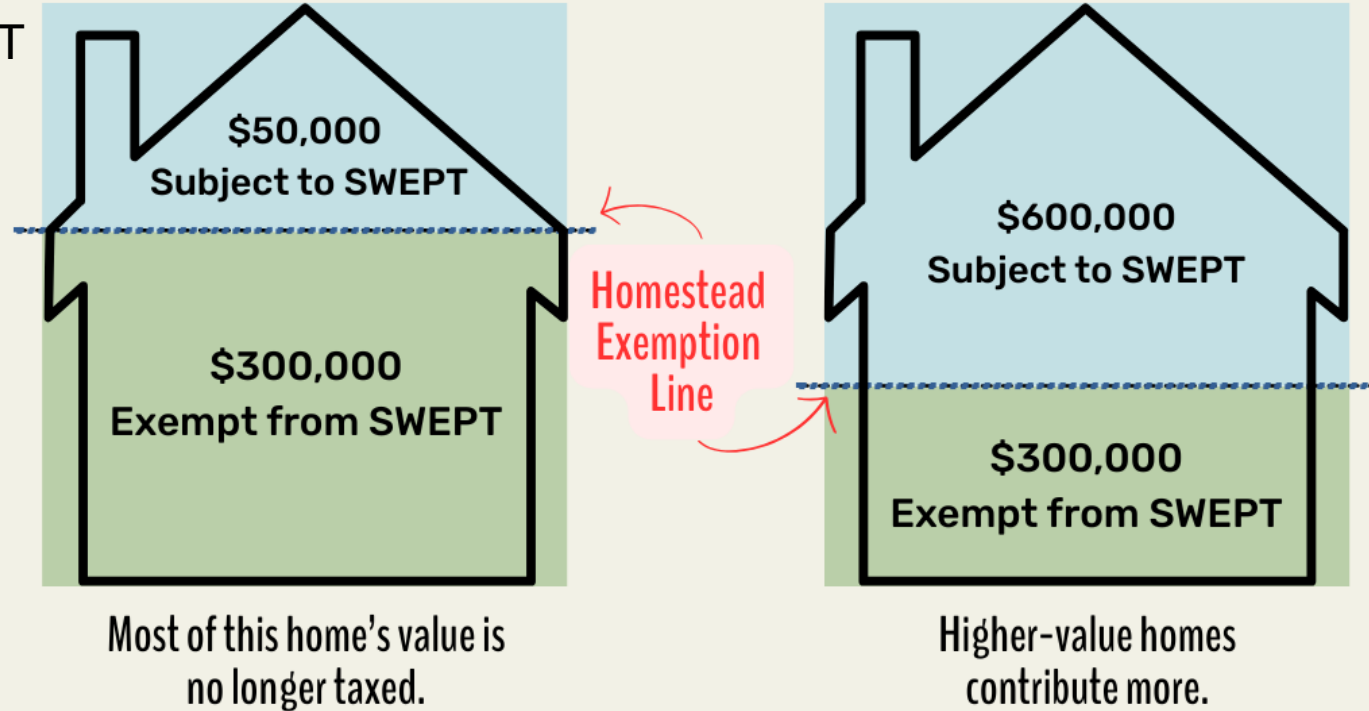
Source: Institute on Taxation and Economic Policy

# Legislative opportunities to research other revenue options

- **HB 1636** – Directs State Department of Revenue Administration to provide lawmakers with usable data for options by showing revenue potential, taxpayer impacts, and ways to protect low- and moderate-income households. **Killed by the NH House February 2026.**
- **HB 491** – Would have created a legislative committee just to begin discussing how to raise more revenue at the state level in order to reduce reliance on local property taxes. **Killed by the NH House January 2026.**

# Statewide property tax – HB 1648

- Increases in SWEPT could provide significant funding
- Paired with a Homestead Exemption (like HB 1648) would shield most primary residents from any increases



# Reinstate Previous Revenue Sources that have been cut or eliminated

- Reinstating the Interest and Dividends Tax: **\$185 million a year.**
- Business tax cuts implemented between 2016 and 2024 resulted in a loss of \$1 billion in revenues, but that's over eight years, so **\$125 million each year.**
- Increase SWEPT, paired with property tax relief or exemptions, could raise about \$360 million for each \$1.00 per thousand of valuation increase.

# What would other sources of revenue raise?

- Revenue available for each 1% tax on federal adjusted gross income: ~\$768 million (IRS 2022 data)
- Revenue available for each 1% of a general sales tax: ~\$300 million (2023 data)
- Revenue available for each \$1.00 equalized property tax rate: ~\$360 Million. (2024 data).
- Legalizing marijuana is projected to produce \$25 to \$35 million in new revenues each year.
- Revenue available for each 1% tax on Capital Gains: ~\$80 million (IRS 2022 data)

# How do we raise money?

- If we need to raise about \$500 million for public schools, where should that money come from?
- What's the best option in your view?
- What's the worst option in your view?