Welcome!

Please make sure you visited the two posters on the way in and participated in the activity. The presentation will begin shortly.

NH SCHOOL
Funding Fairness Project

What We'll Cover

Where we are now (the funding basics)

A closer look at local data

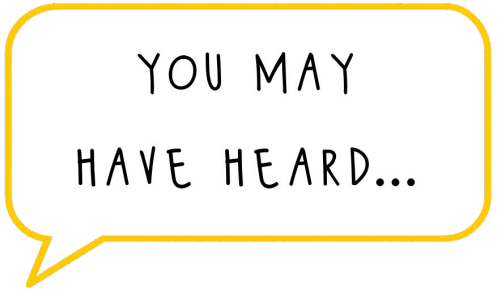
How we got here

Public policy and engagement

Who decides… and who pays?

2027 policy platform

Questions



Let's talk about it…

Discuss in small groups
Share all together

WHERE WE ARE NOW

the school funding basics

How State School Funding Works in NH



Base Adequacy Aid

State funding for **EVERY** public school student

$4,351
per student

How State School Funding Works in NH

Student-based Aid

Additional funding for **SOME** students

- Receive special education services
- From lower income families
- Are English language learners



Base Adequacy Aid

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How State School Funding Works in NH

Student-based Aid

Additional funding for **SOME** students who:

- Receive special education services
- From lower income families
- Are English language learners

District-based Aid

Additional funding for **SOME** districts:

- Average property value per student
- % of low income students
- Prior funding levels



Base Adequacy Aid

State funding for **EVERY** public school student

$4,351
per student

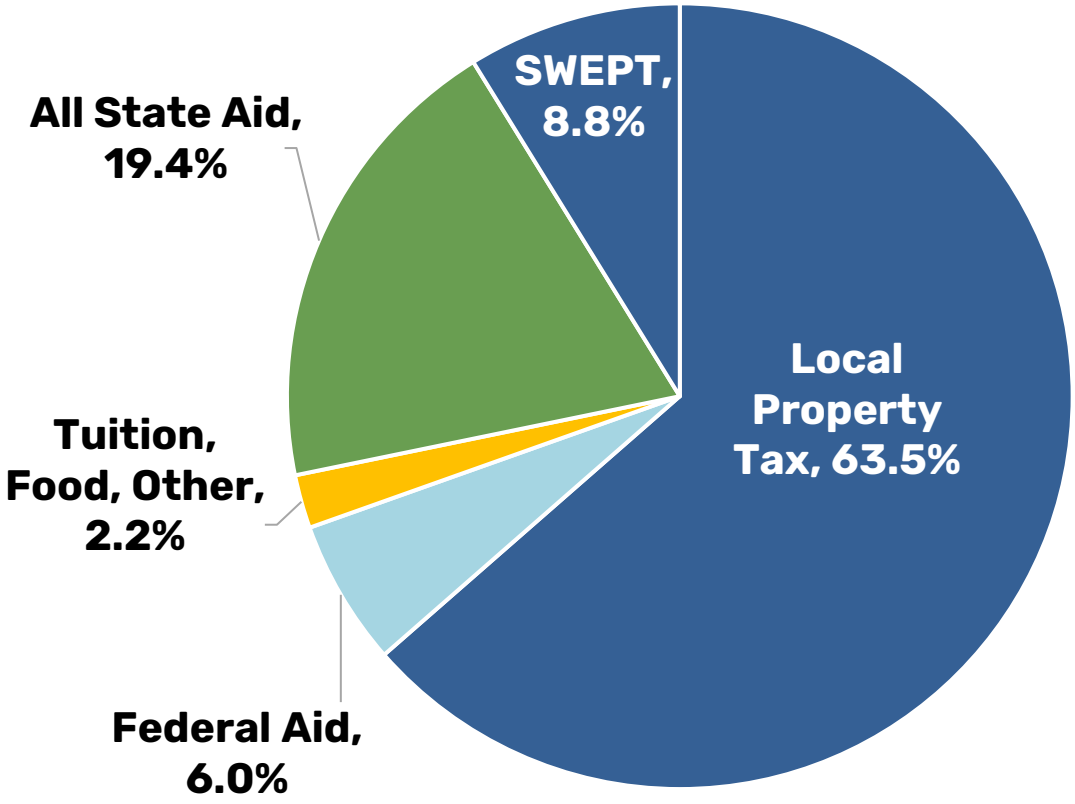
New Hampshire School Funding 2024-2025

NH Relies Overwhelmingly on Local Property Taxes to Fund Public Education

Current System:

$4.15B in Total Revenue

Federal Aid: 6.0%
State Revenue: 19.4%
Property Taxes: 72.3%



NH SCHOOL Funding Fairness Project

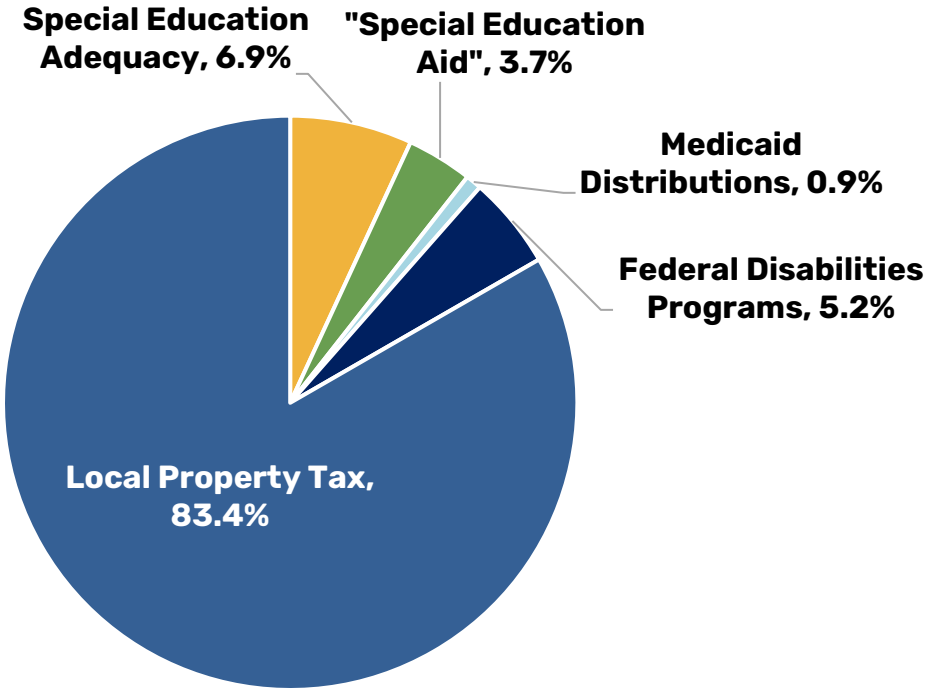
The "cost" of underfunding special education

Federal funding percentages have never risen above single digits – despite a promise of 40%

Disability services cost more than $31,000 a year; the state funds a small fraction of that

Districts received 2/3 of their approved reimbursements last year due to underfunding

Local taxpayers fund 5 out of every 6 dollars spent on special education in NH



Special education IS public education... and public schools educate everyone.



Federal and state funding doesn't match real life costs.

Local taxpayers absorb the difference.

Students are discussed as line items rather than school community members.

Federally protected education rights are debated as "affordable" or not.

ROOT CAUSE: a funding system that creates these impossible choices.

CHECKING IN - WHAT WE'VE COVERED

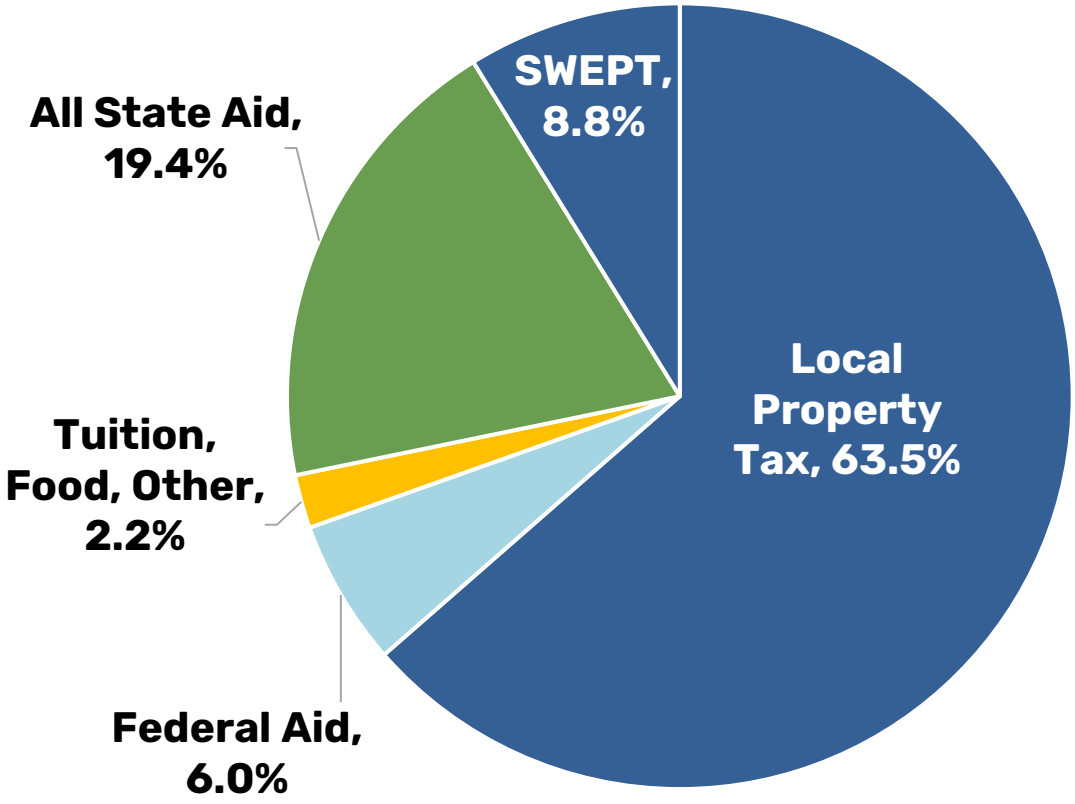
✓ Where we are now (the funding basics)
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YOUR LOCAL DATA

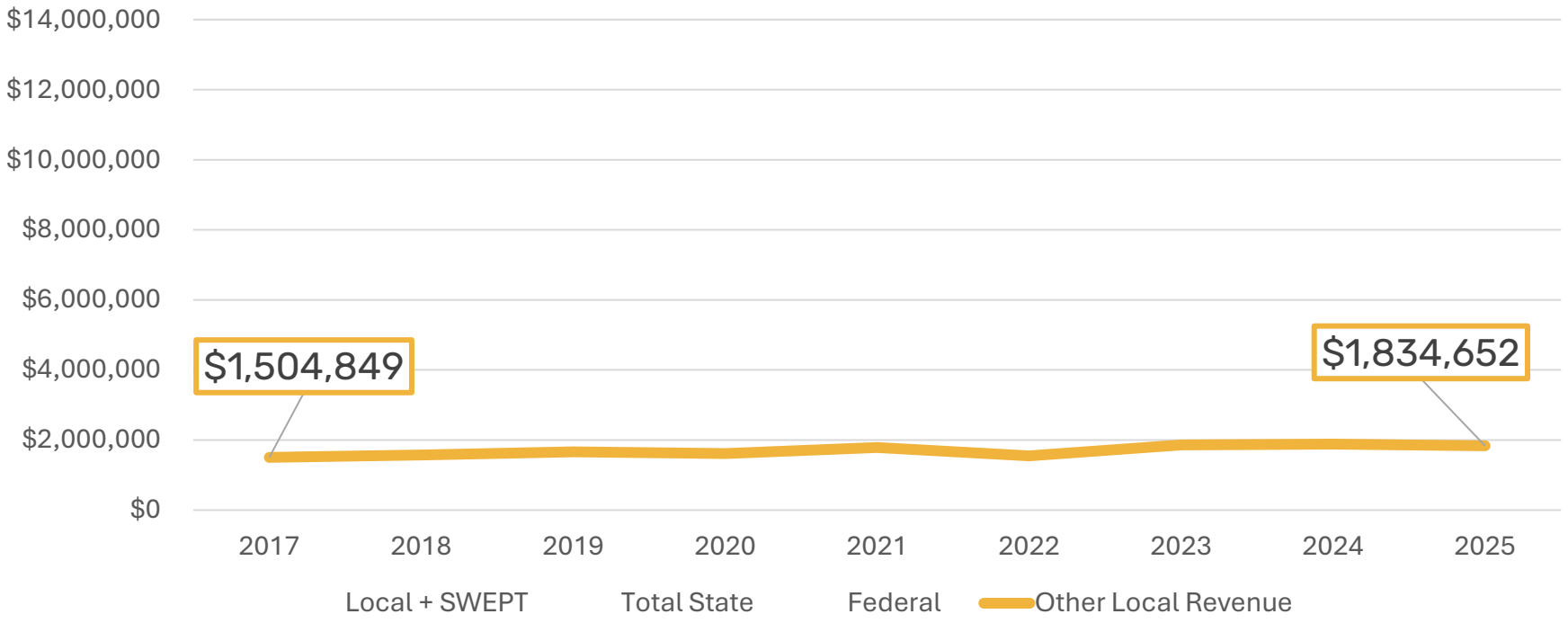
a closer look

NH School Funding Comparison

Page 1 of your SAU Community Profile paper shows local data compared to the state.

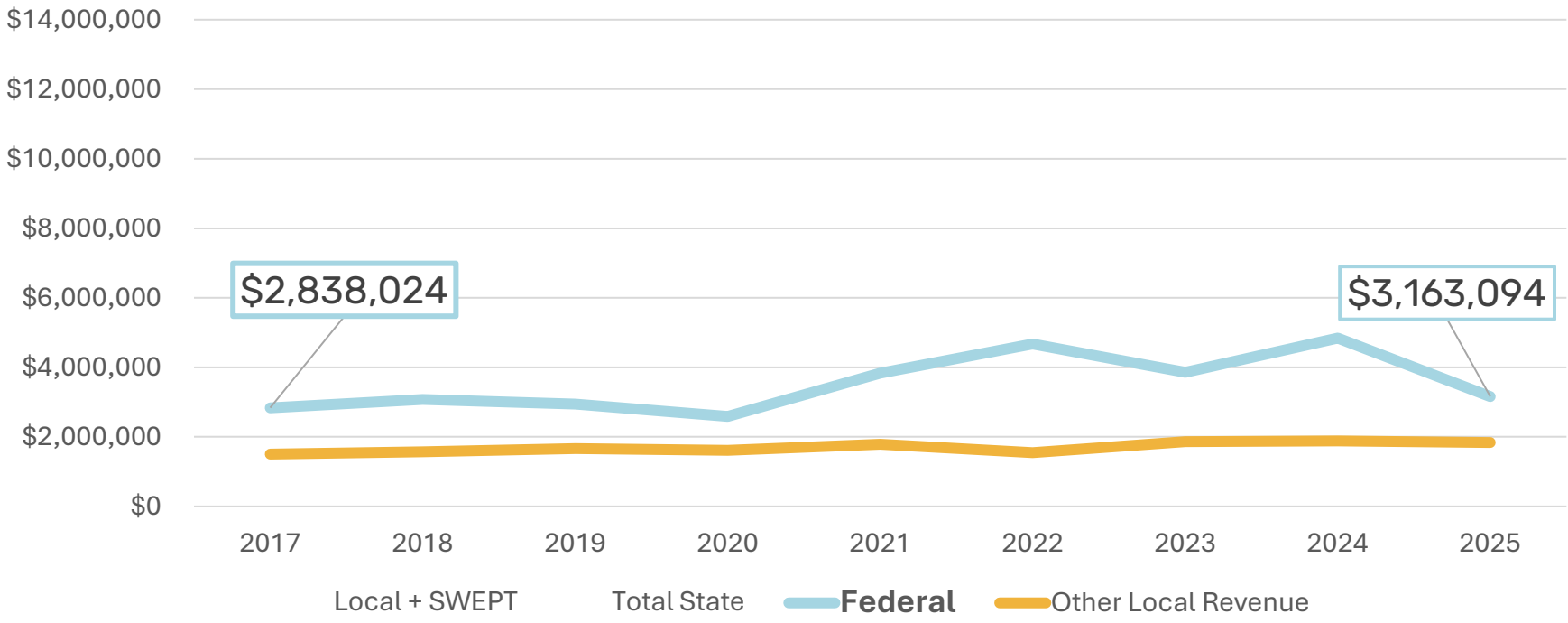


Berlin School District Revenue 2017-2025



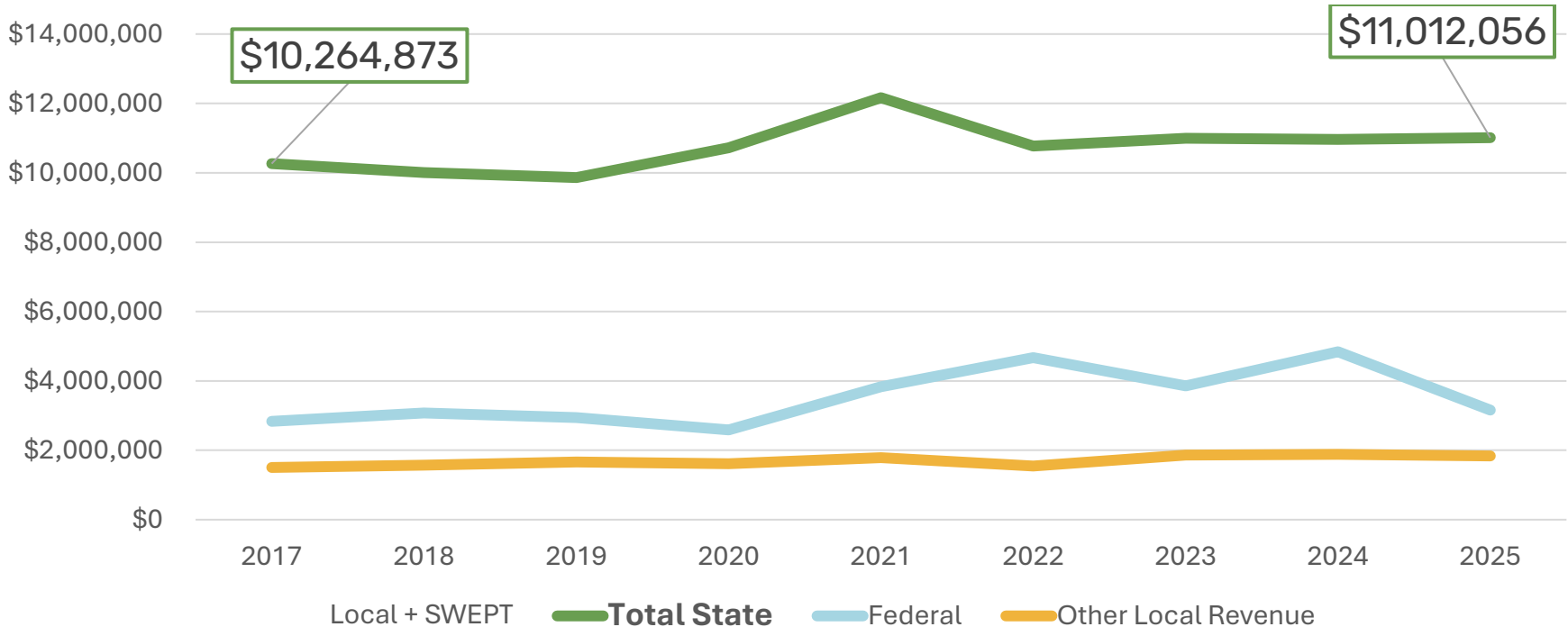
NH SCHOOL Funding Fairness Project

Berlin School District Revenue 2017-2025



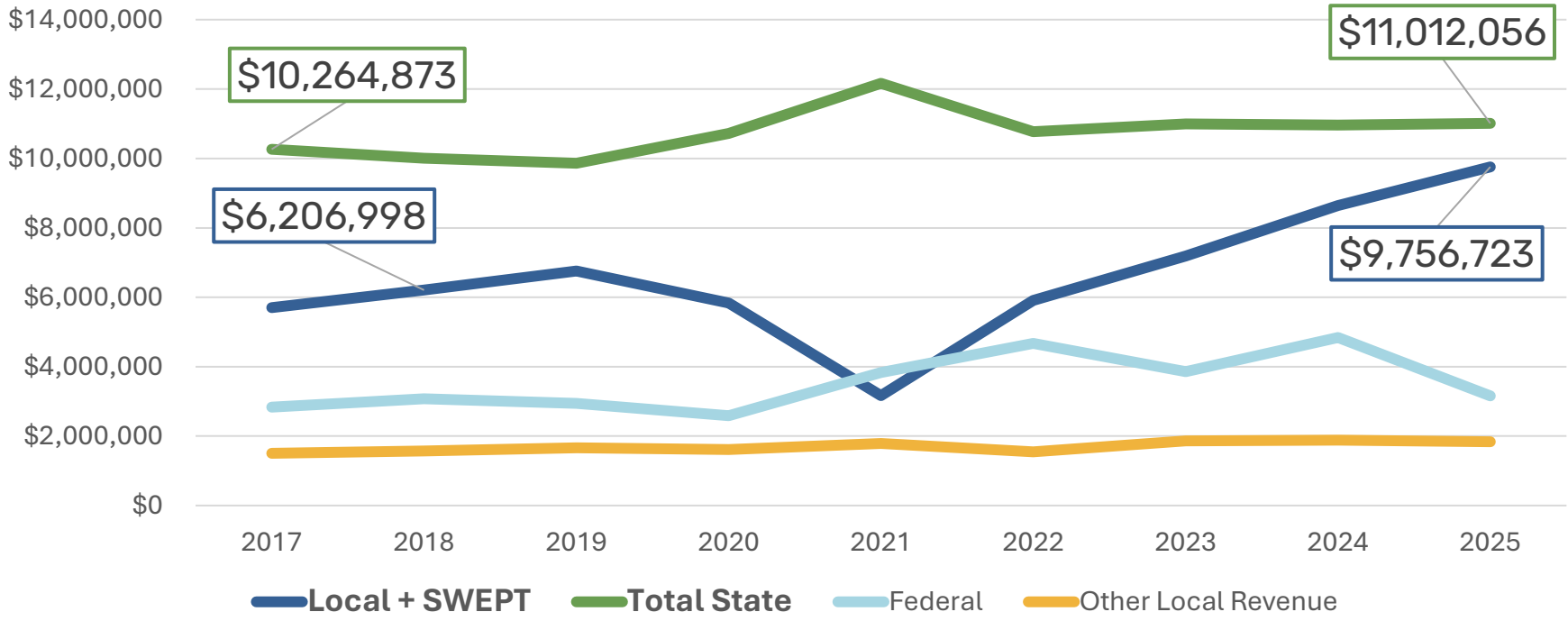
NH SCHOOL Funding Fairness Project

Berlin School District Revenue 2017-2025



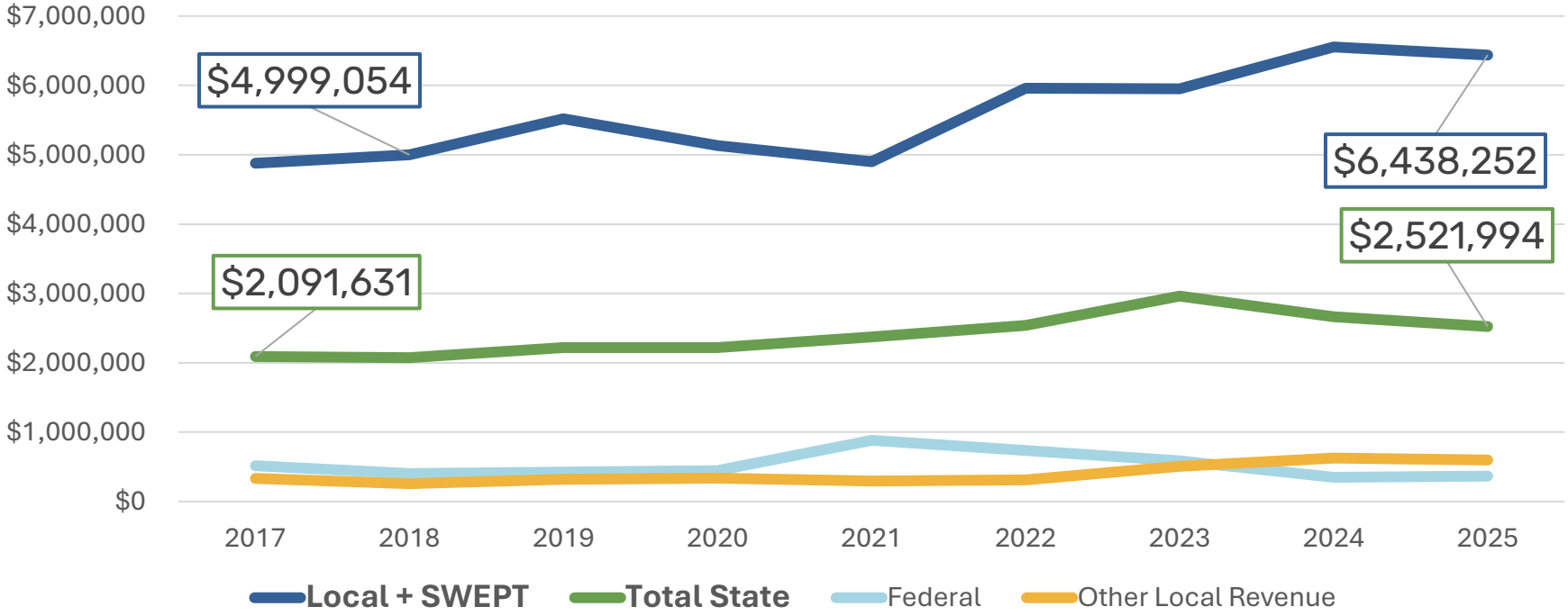
NH SCHOOL Funding Fairness Project

Berlin School District Revenue 2017-2025



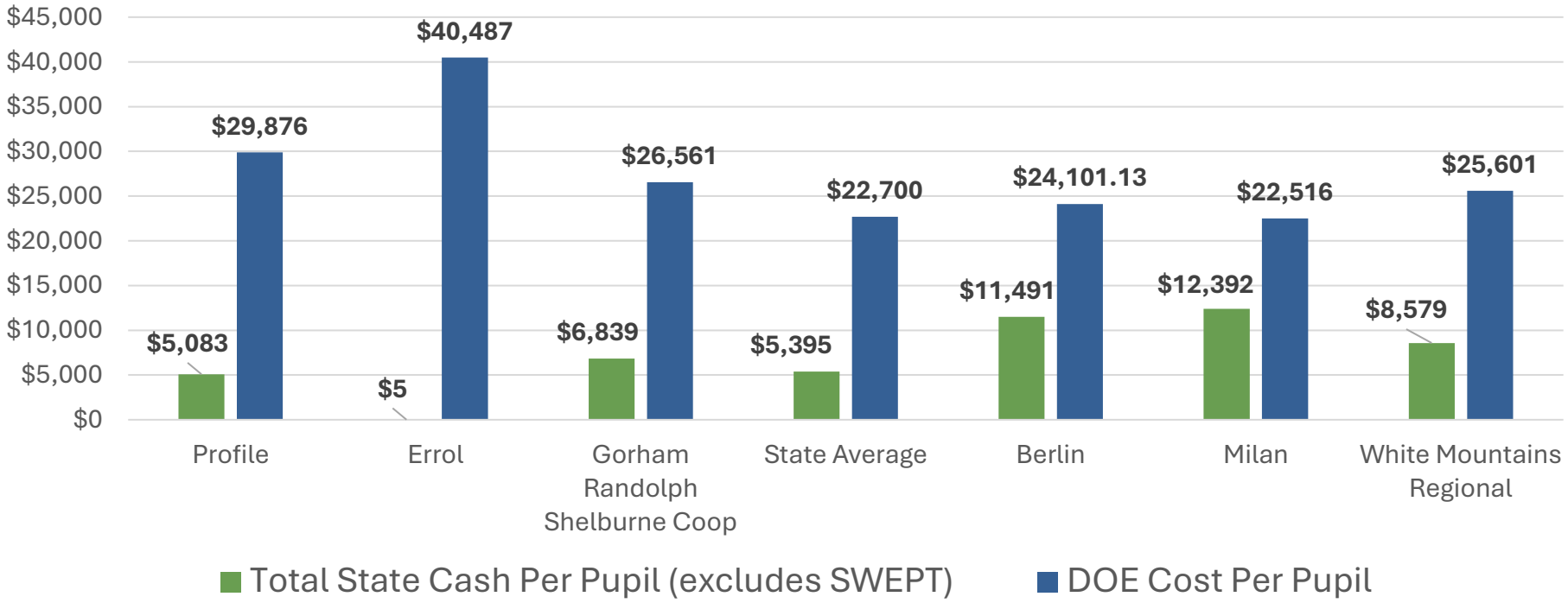
NH SCHOOL Funding Fairness Project

Gorham Randolph Shelburne Cooperative District Revenue 2017-2025



NH SCHOOL Funding Fairness Project

State Cash to Districts vs Actual Spending

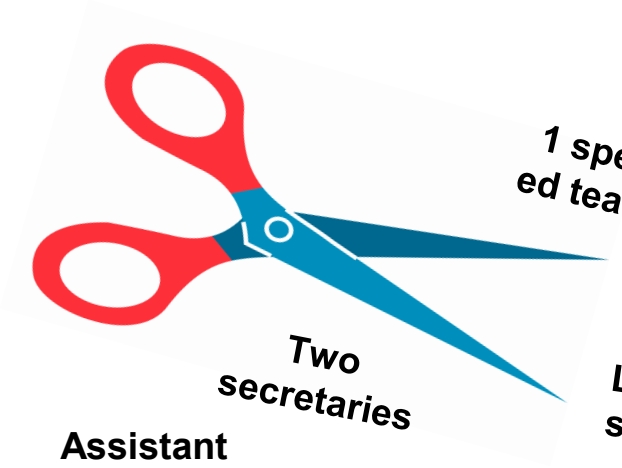


Is the state's contribution enough to run a school district in the real world?

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 secretary

Out-of-district placements

Art, music and gym equipment

Special ed appraisals

Superintendent & all administrative staff

School board stipends & fees

Attorney & audit fees

Crossing guards

Chromebooks & software

Technology support

Clubs & sports

Summer programs

Plumbing & heating repairs

Textbooks

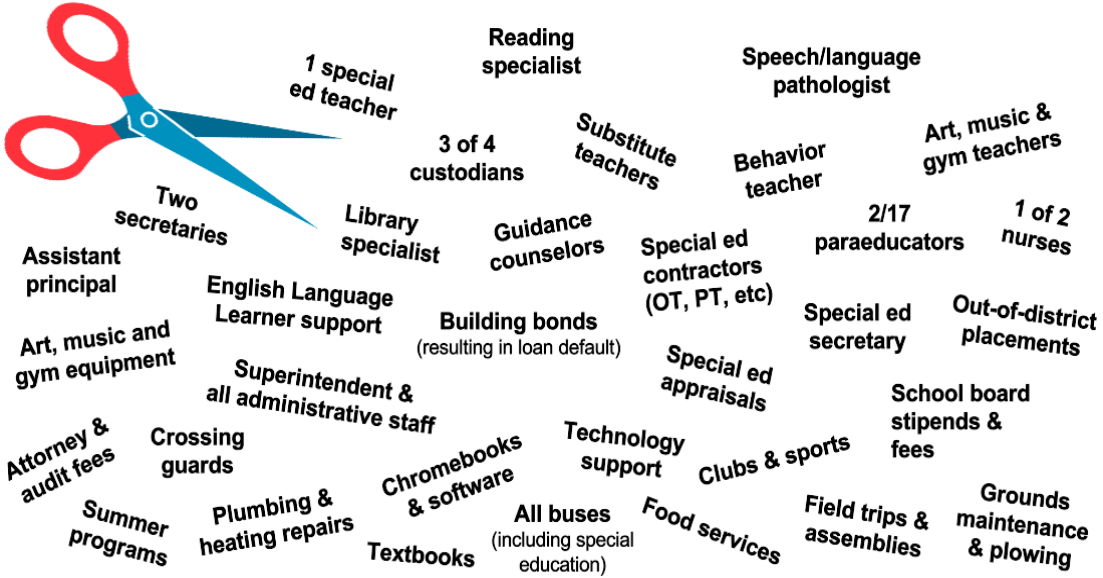
All buses (including special education)

Food services

Field trips & assemblies

Grounds maintenance & plowing

It still wasn't enough.



What's left?

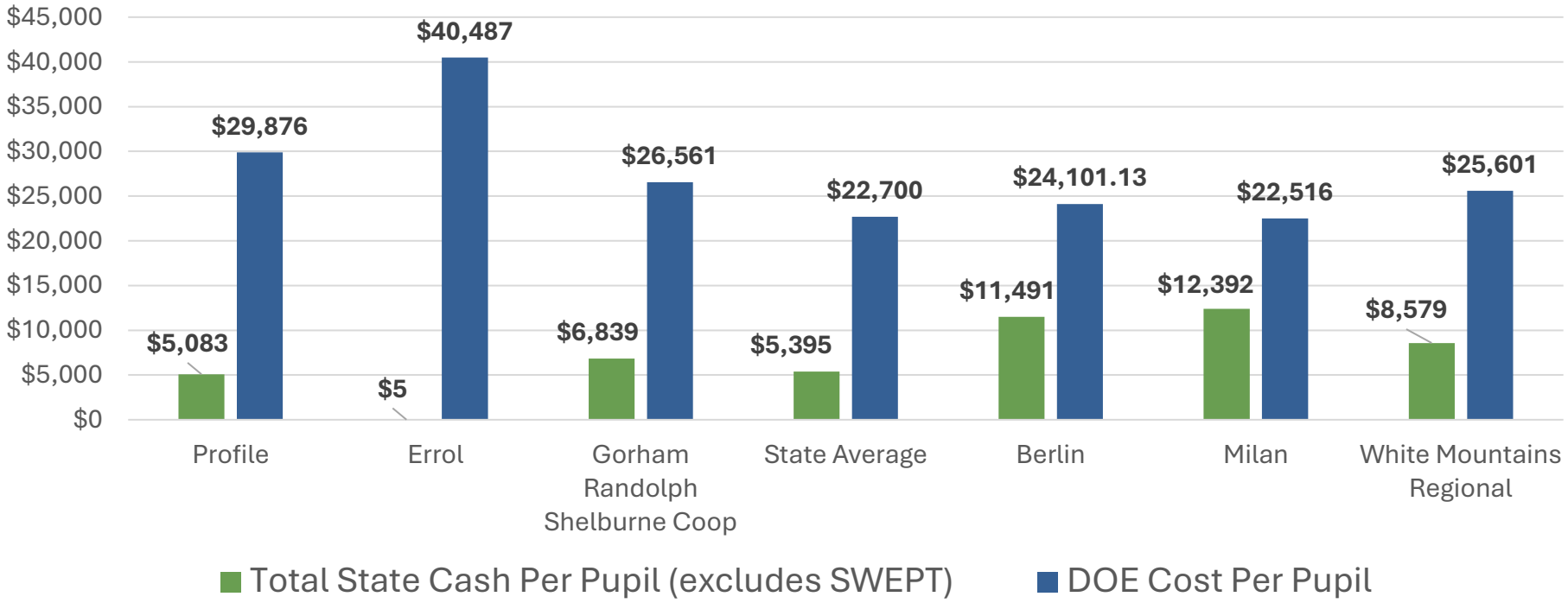
Eliminate high school altogether. **An "adequate" education in Allenstown ends in the 8th grade.**

Cut teachers until:

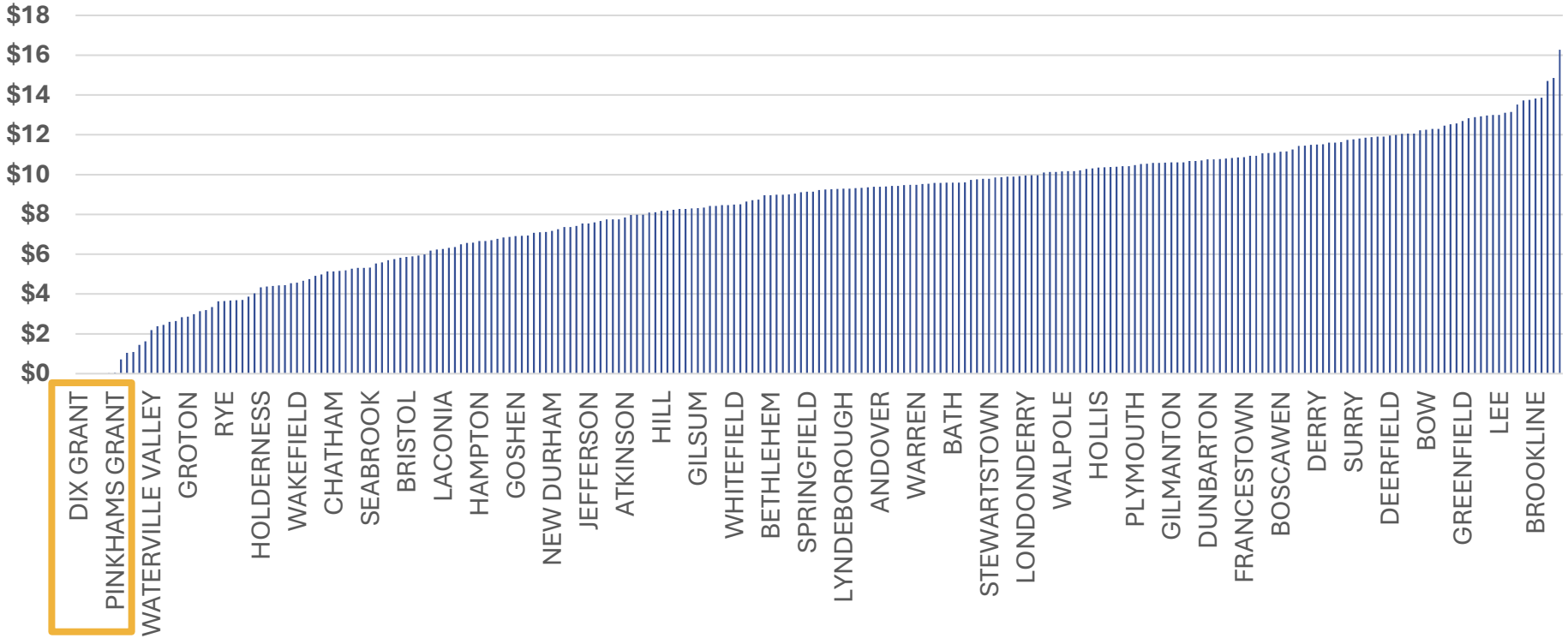
K-4 grades have
29 students/teacher ratio

5-8 grades have
38 students/teacher ratio

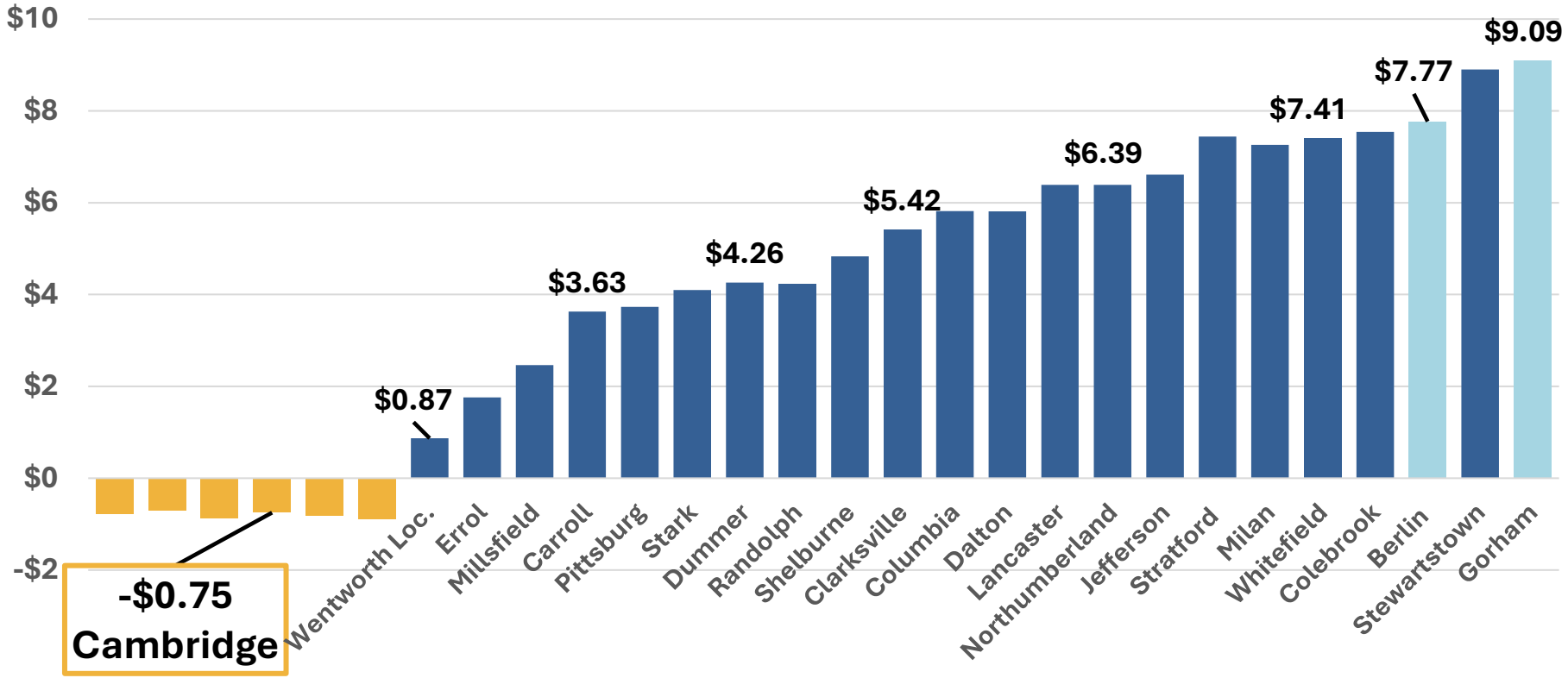
State Cash to Districts vs Actual Spending



DOE Equalized Education Property Tax Rates by Town



Local Education Property Tax Rates for Coös County



NH SCHOOL Funding Fairness Project

Differing Education Property Tax Bills for a $500k Home in Coös County



NH SCHOOL Funding Fairness Project

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HOW WE GOT HERE

taxes & lawsuits

The Claremont Supreme Court Rulings

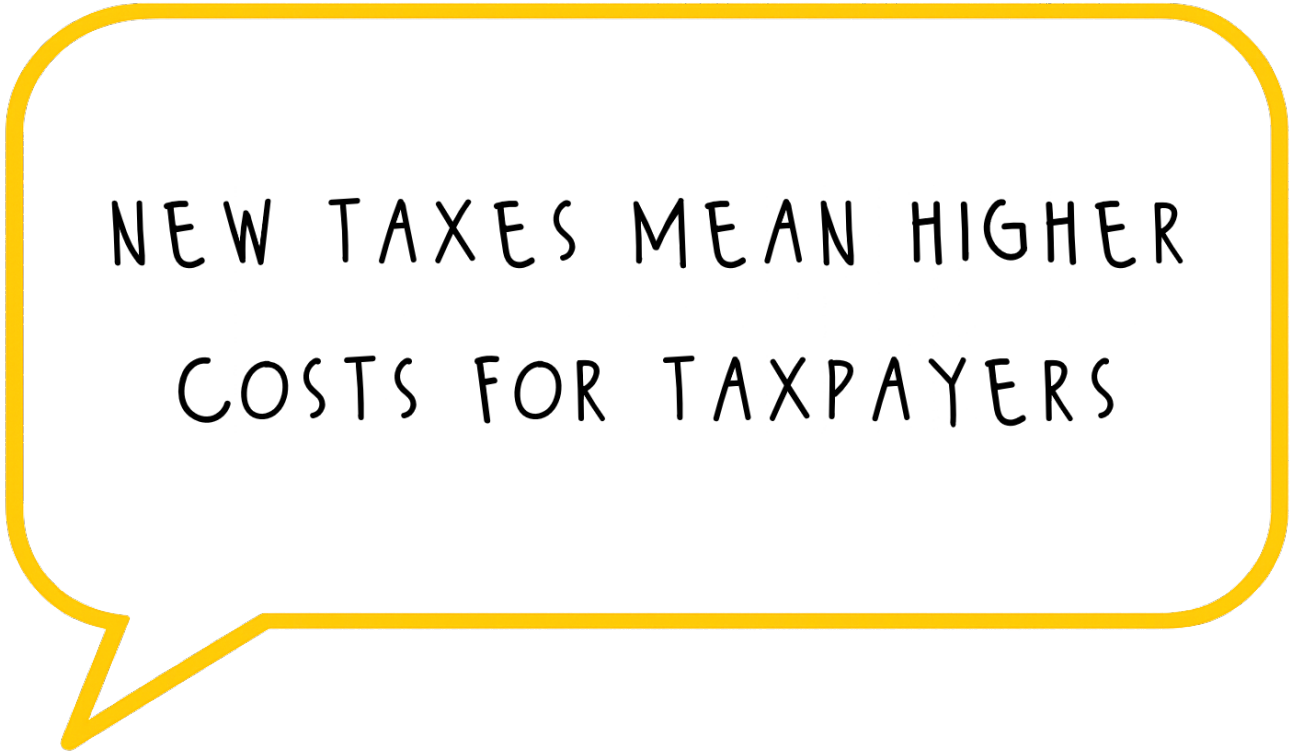
In the 90s, 5 school districts came together to sue the state to fight for education funding equality

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

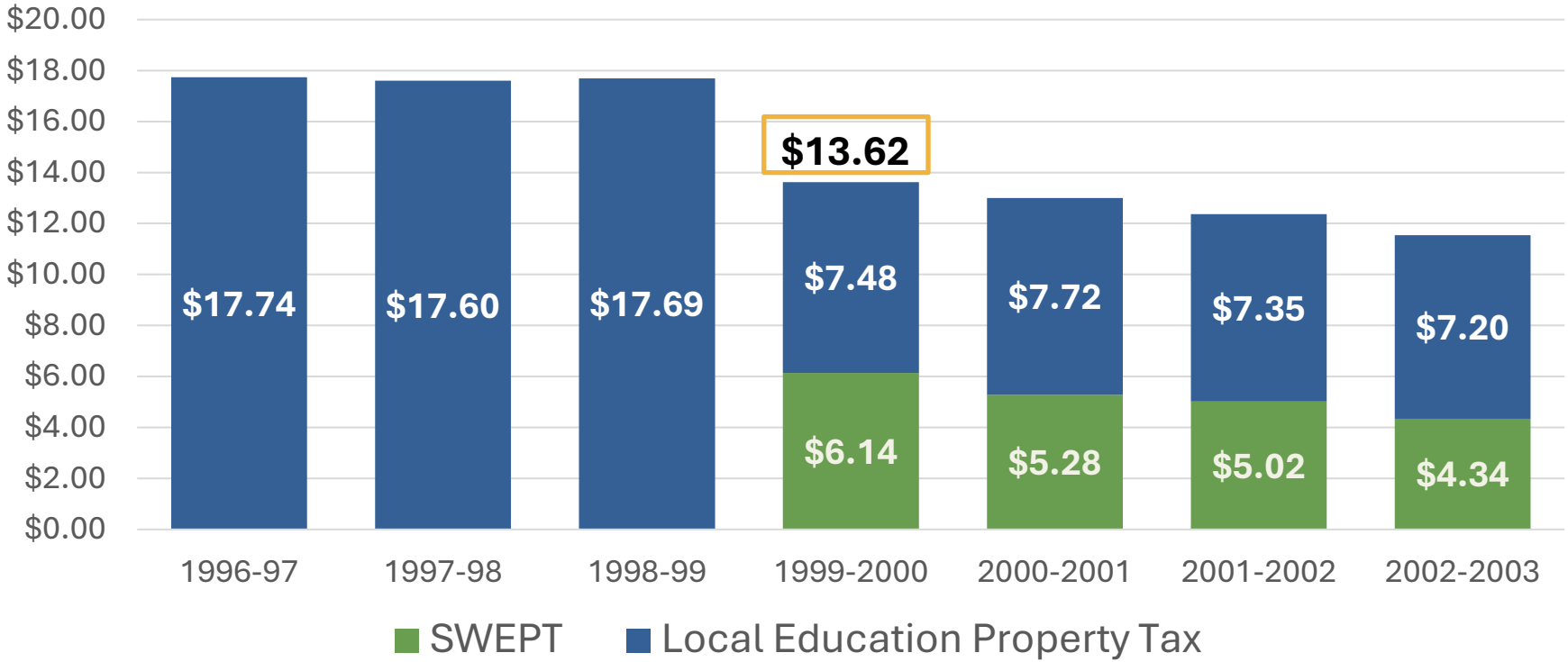
1. The State of New Hampshire has a duty to pay for the cost of a **constitutionally adequate** education for every K-12 student.
2. The taxes that the State uses to pay for this education must have a **uniform rate** across the state.



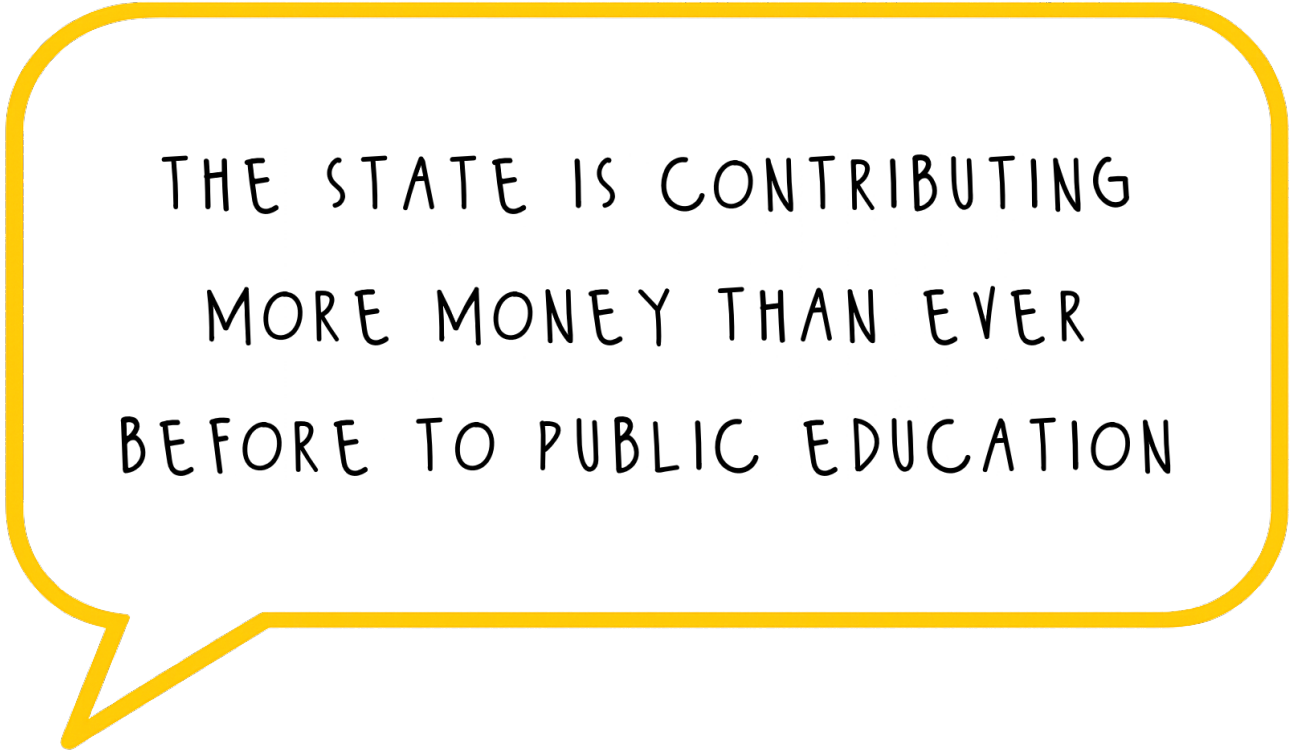
You may have heard...



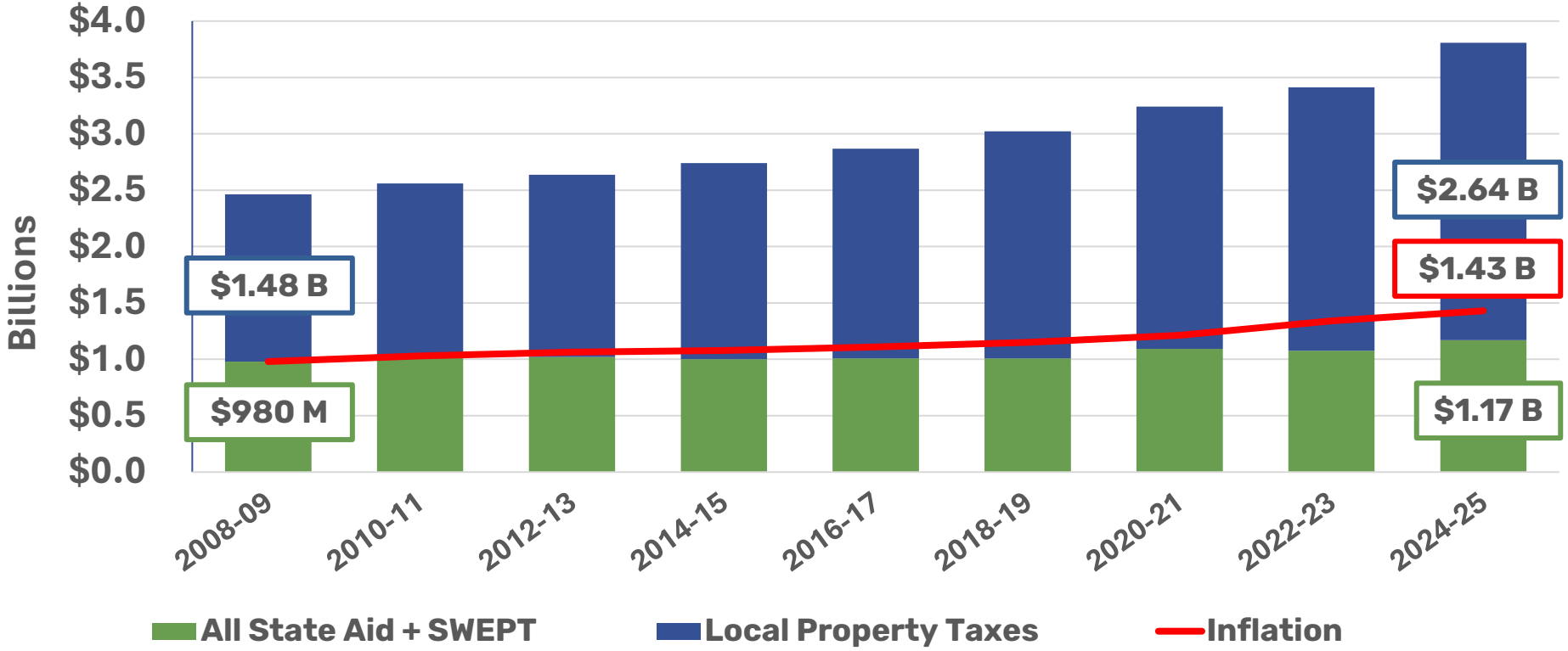
New SWEPT tax resulted in overall lower tax burdens



You may have heard...



Basic inflation outpaces state education funding growth



NH SCHOOL Funding Fairness Project

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”.

"The State presented no evidence to justify the current base adequacy amount.”

July 2025 - ConVal Supreme Court Ruling

If base adequacy had increased for 2024-25 to the Court's $7,356 per student…

Berlin would have received approximately $3,000,000 more from the State.

Gorham Randolph Shelburne Cooperative: about $1,200,000 more

Rand Appeal – State Fighting to Remove Constitutional Protections for Public Education

1. Overturn Claremont rulings which would remove or substantially modify current right to a State-funded adequate education
2. Count state and local government funding together – giving the State credit for all local revenue
3. Make future school funding lawsuits impossible
4. Reverse the Rand ruling on standing

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- Who decides… and who pays?
- 2027 policy platform
- Questions

PUBLIC POLICY

intent, impact, and your voice

INTENT vs. IMPACT

Everyone has a role in a system that creates good policies for our communities.

Good policy making must go beyond the ***intent*** of a bill and examine its ***impact***:



INTENT vs. IMPACT

Everyone has a role in a system that creates good policies for our communities.

Good policy making must go beyond the ***intent*** of a bill and examine its ***impact***:



What happens if the research and public input disappear?

INTENT vs. IMPACT

Everyone has a role in a system that creates good policies for our communities.

Good policy making must go beyond the ***intent*** of a bill and examine its ***impact***:



But… what happens when research and public input are strong?

INTENT vs. IMPACT

Everyone has a role in a system that creates good policies for our communities.

Good policy making must go beyond the ***intent*** of a bill and examine its ***impact***:



February through June 2026

What was the tipping point for all this advocacy?

The collective power of organized advocacy



> It's so important on something like this that the work happen outside of Concord, **engaging the school districts**, many of whom gave me feedback — and **that engagement, to me, on a change like this, is important.**
>
> **Governor Kelly Ayotte**
> **June 2026**

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WHO DECIDES

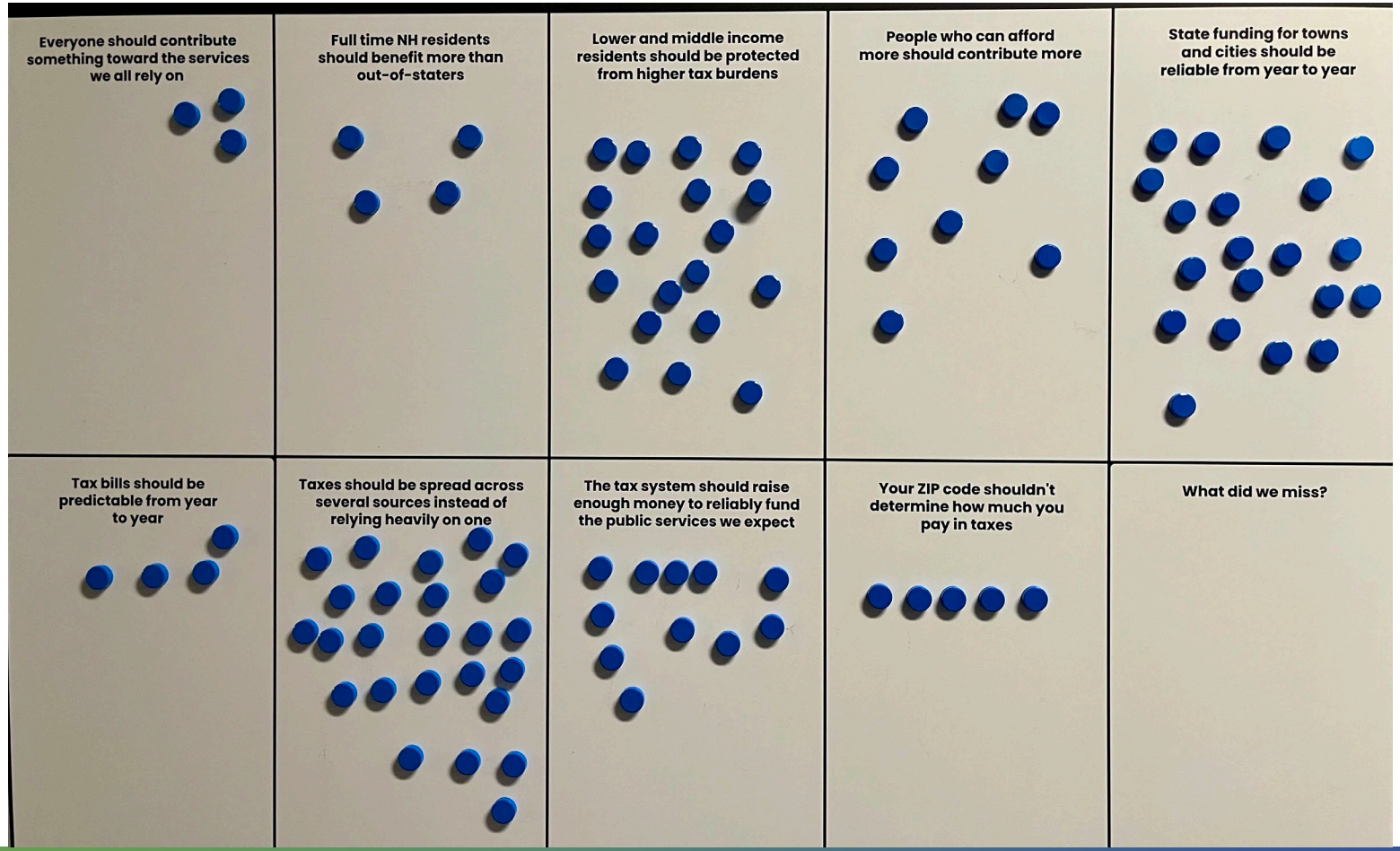
and who pays?

Let's talk about it…

When lawmakers make decisions about taxes, what should matter most?

What prompted you to vote the way you did?

What surprises you about the way the group voted?


Everyone should contribute something toward the services we all rely on
Full time NH residents should benefit more than out-of-staters
Lower and middle income residents should be protected from higher tax burdens
People who can afford more should contribute more
State funding for towns and cities should be reliable from year to year
Tax bills should be predictable from year to year
Taxes should be spread across several sources instead of relying heavily on one
The tax system should raise enough money to reliably fund the public services we expect
Your ZIP code shouldn't determine how much you pay in taxes
What did we miss?

When lawmakers make decisions about taxes, what should matter most?

Everyone should contribute something toward the services we rely on	Full time NH residents should benefit more than out-of-staters	Lower and middle income residents should be protected from higher tax burdens	People who can afford more should contribute more	State funding for towns and cities should be reliable from year to year
Tax bills should be predictable from year to year	Taxes should be spread across several sources instead of relying heavily on one	The tax system should raise enough money to reliably fund the public services we expect	Your ZIP code shouldn't determine how much you pay in taxes	

You may have heard...



The Flow of Business Taxes



NH Businesses

Pay business taxes



State of NH

Collects revenue

Funds public services



Public Safety



Schools



Health Care



Roads & Bridges



Property Tax Relief



Tourism



Child Care Access



Affordable Housing

Less Revenue In, Less to Spend



NH Businesses

Pay business taxes



State of NH

Collects revenue

Funds public services



Public Safety



Schools



Health Care



Roads & Bridges



Property Tax Relief



Tourism



Child Care Access



Affordable Housing

Impact of Business Tax Cuts



NH Businesses

Pay less after tax cuts



2015 — 2024



State of NH

Collects less revenue

The State lost an estimated $795 Million to $1.17 Billion in business tax revenue

Impact of Business Tax Cuts



NH Businesses

Pay less after tax cuts





State of NH

Collects less revenue

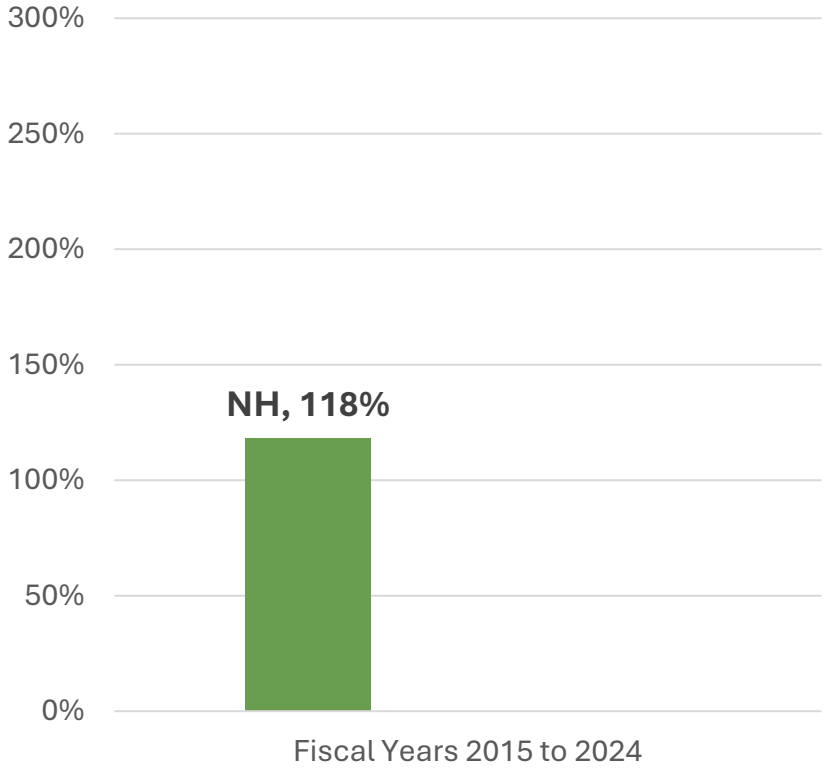
Estimated loss of $160 - $235 Million in 2024 alone

Change in State Corporate Tax Revenues, 2015-2024



NH Businesses

Pay less after tax cuts





State of NH

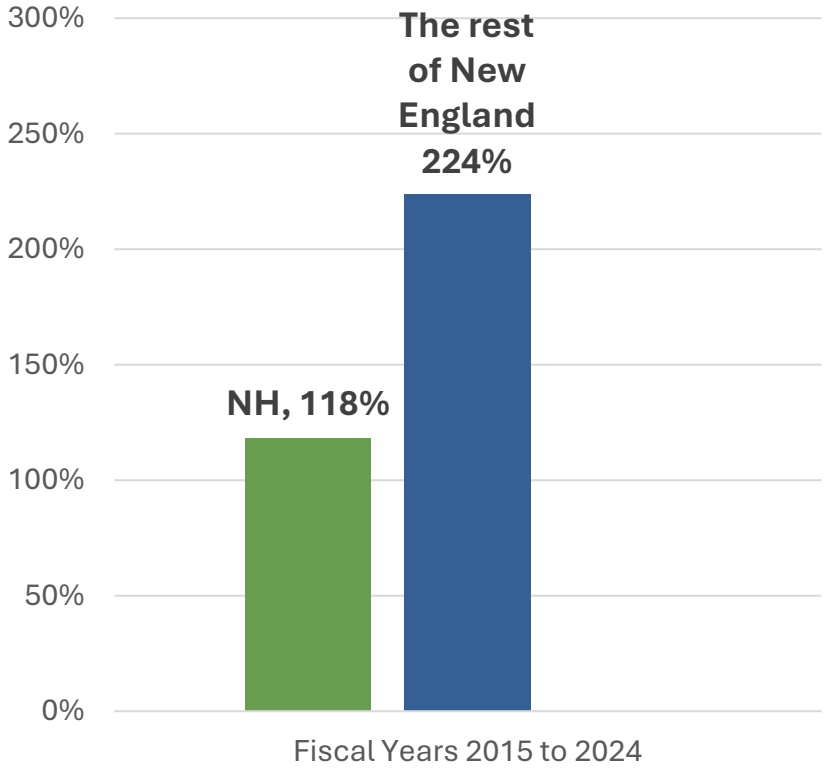
Collects less revenue

Change in State Corporate Tax Revenues, 2015-2024



NH Businesses

Pay less after tax cuts





State of NH

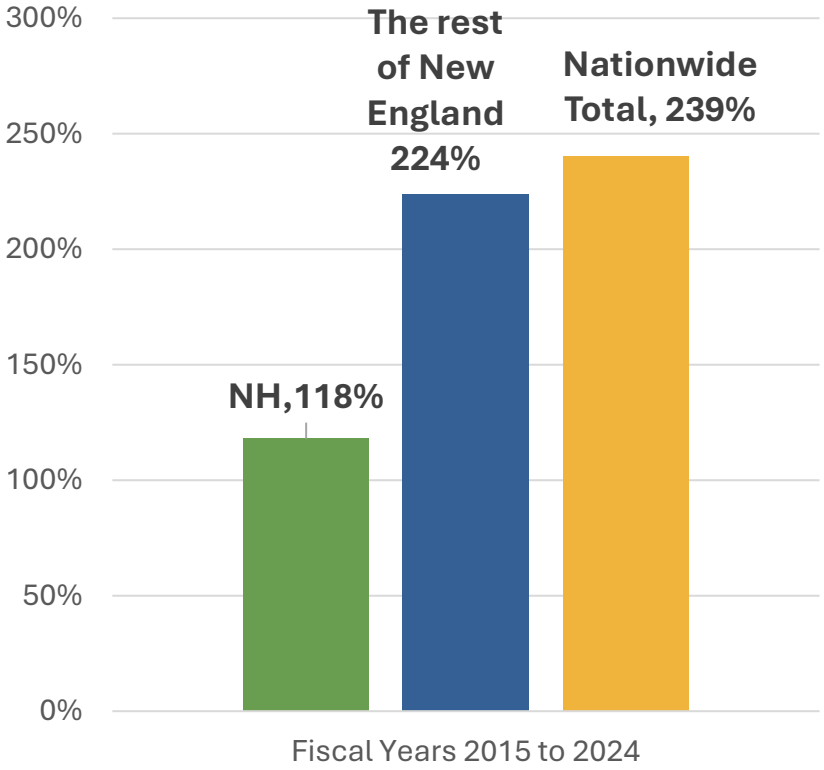
Collects less revenue

Change in State Corporate Tax Revenues, 2015-2024



NH Businesses

Pay less after tax cuts





State of NH

Collects less revenue

NH SCHOOL Funding Fairness Project

Change in State Corporate Tax Revenues, 2015-2024



NH Businesses

Pay less after tax cuts

“Little evidence that tax rate reductions are related to economic growth or changes in jobs, and no evidence to suggest lower rates increased revenue”

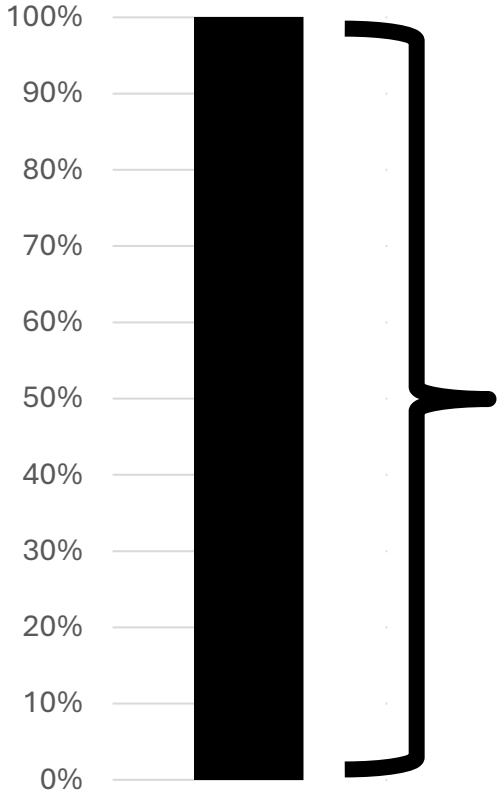
– NH Fiscal Policy Institute



State of NH

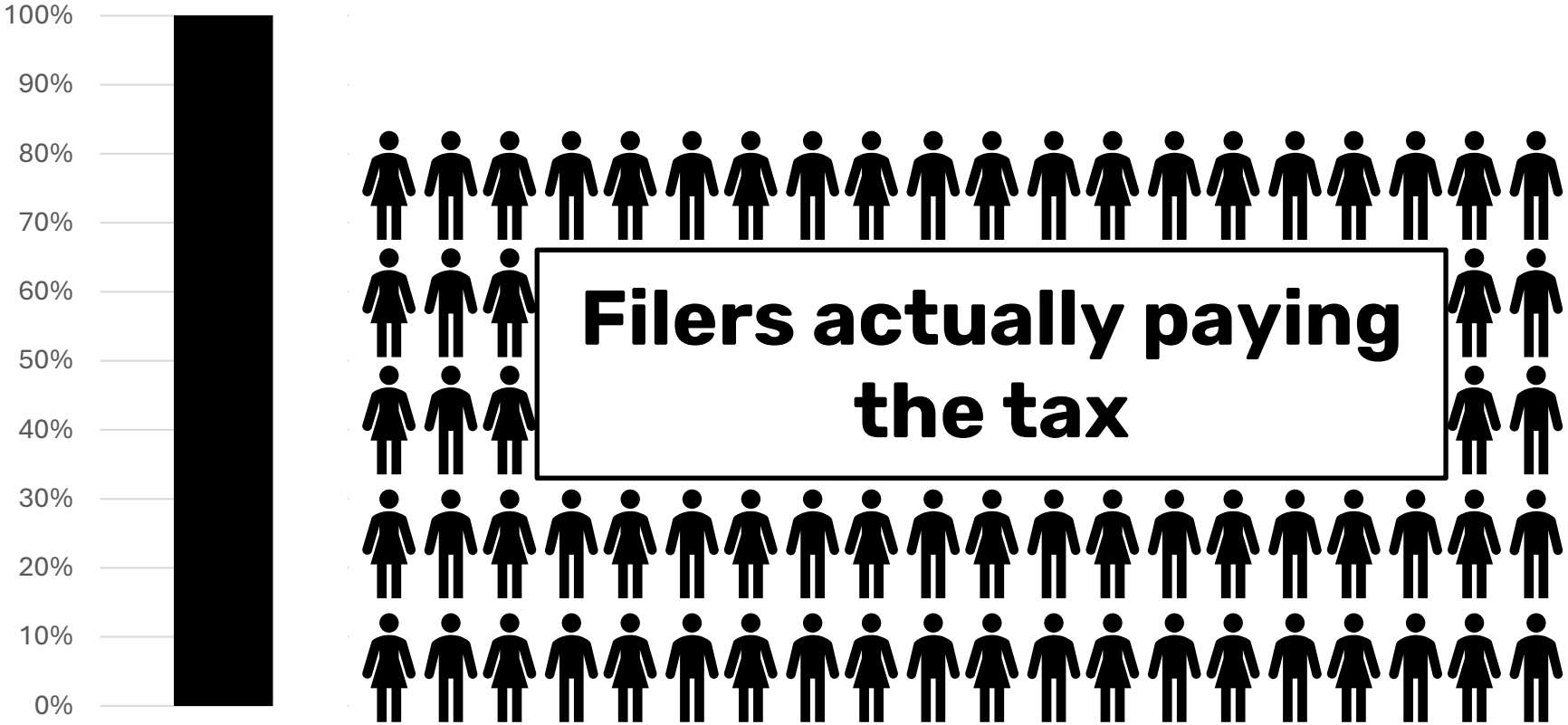
Collects less revenue

Interest and Dividends Tax

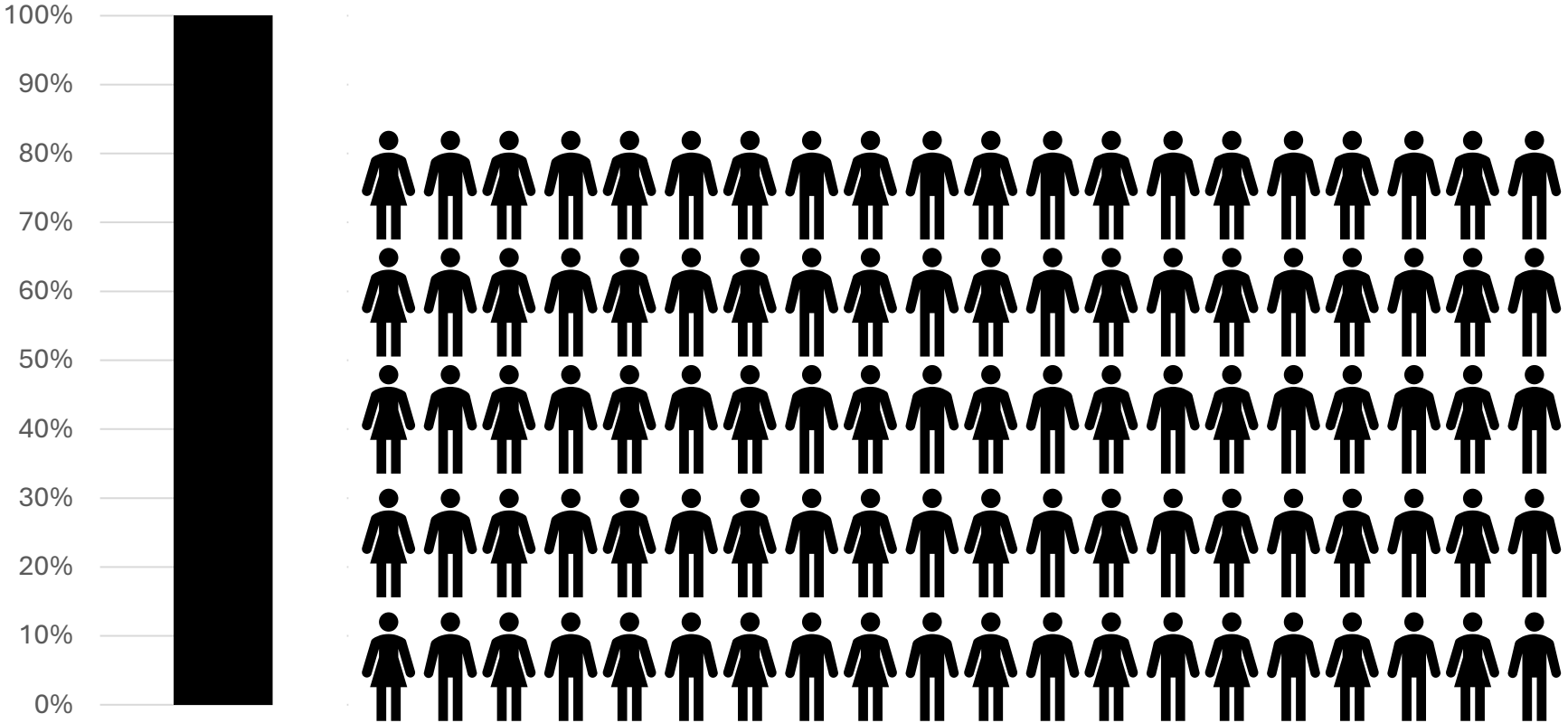


Total revenue sent to the State

Interest and Dividends Tax

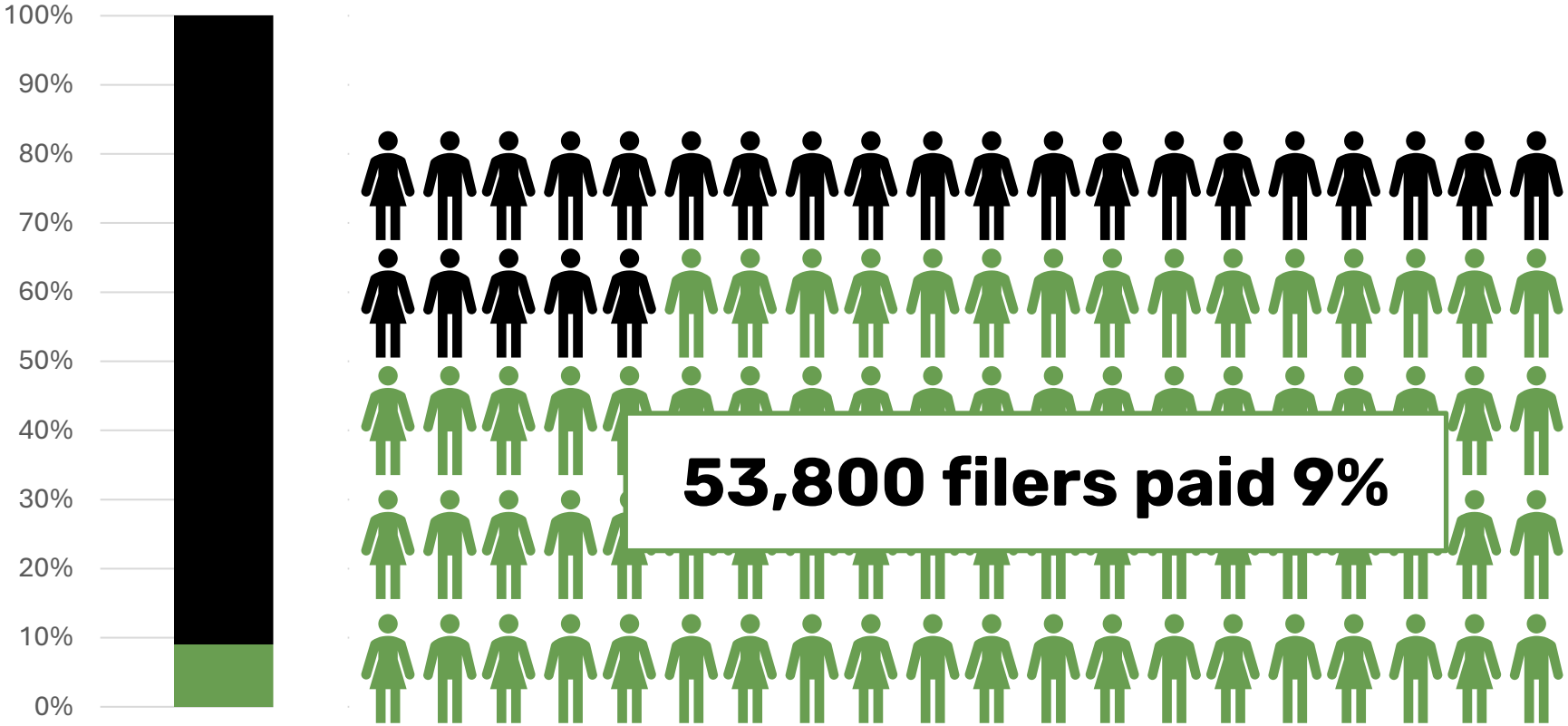


Interest and Dividends Tax



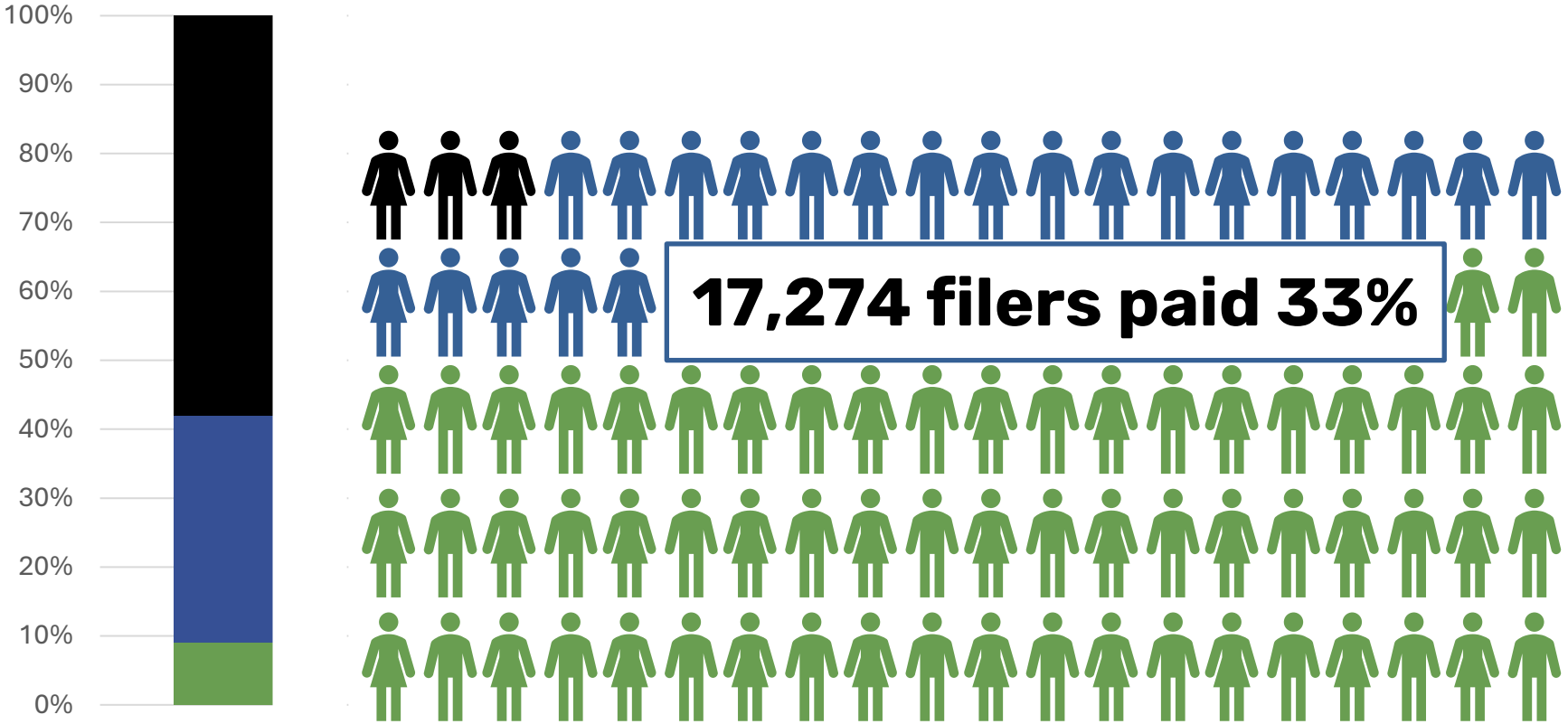
NH SCHOOL Funding Fairness Project

Interest and Dividends Tax



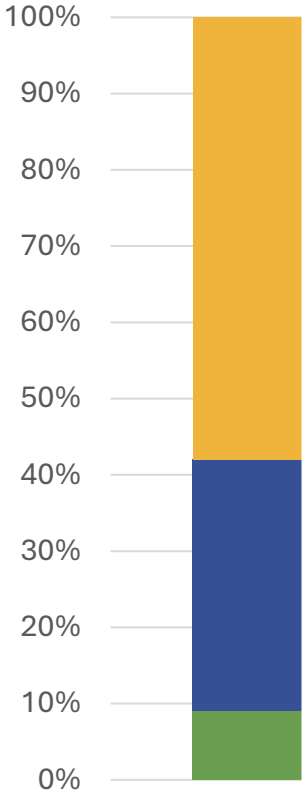
NH SCHOOL Funding Fairness Project

Interest and Dividends Tax



NH SCHOOL Funding Fairness Project

Interest and Dividends Tax

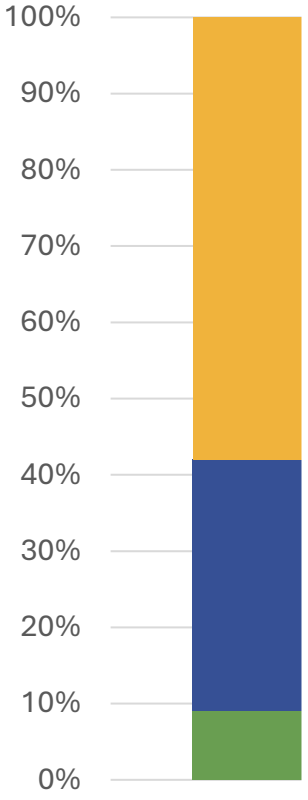


2,267 filers paid 58%



NH SCHOOL Funding Fairness Project

Interest and Dividends Tax



~~Nearly $200 million in state revenue in 2024~~



NH SCHOOL Funding Fairness Project

How Have Tax Cuts Impacted NH?

Business tax reductions combined with the elimination of the I&D tax **reduced state revenue by an estimated $500 to $800 million** just during the current State Budget cycle.

Source: NH Fiscal Policy Institute

If you had $500-$800 million…

What investments would you make in your community?

How could those investments change your community or the state?

How We Could Invest in New Hampshire



Help more families access child care



Repair roads & bridges



School building aid



Feed more kids at school



Restore our state parks*



Protect health care coverage



Build more homes people can afford

What would other sources of revenue raise per year?

Each 1% of a general sales tax **$300 million** (2023 data)

Each $1.00 of equalized property tax rate: **$360 million** (2024 data)

$200 million to reinstate the Interest & Dividends tax

Each 1% tax on federal adjusted gross income: **$768 million** (IRS 2022 data)

Legalizing marijuana projected **$25-35 million** in new revenues each year

Revenue available for each 1% tax on Capital Gains: **$80 million** (IRS 2022 data)

$160-$235 million to reinstate business tax cuts

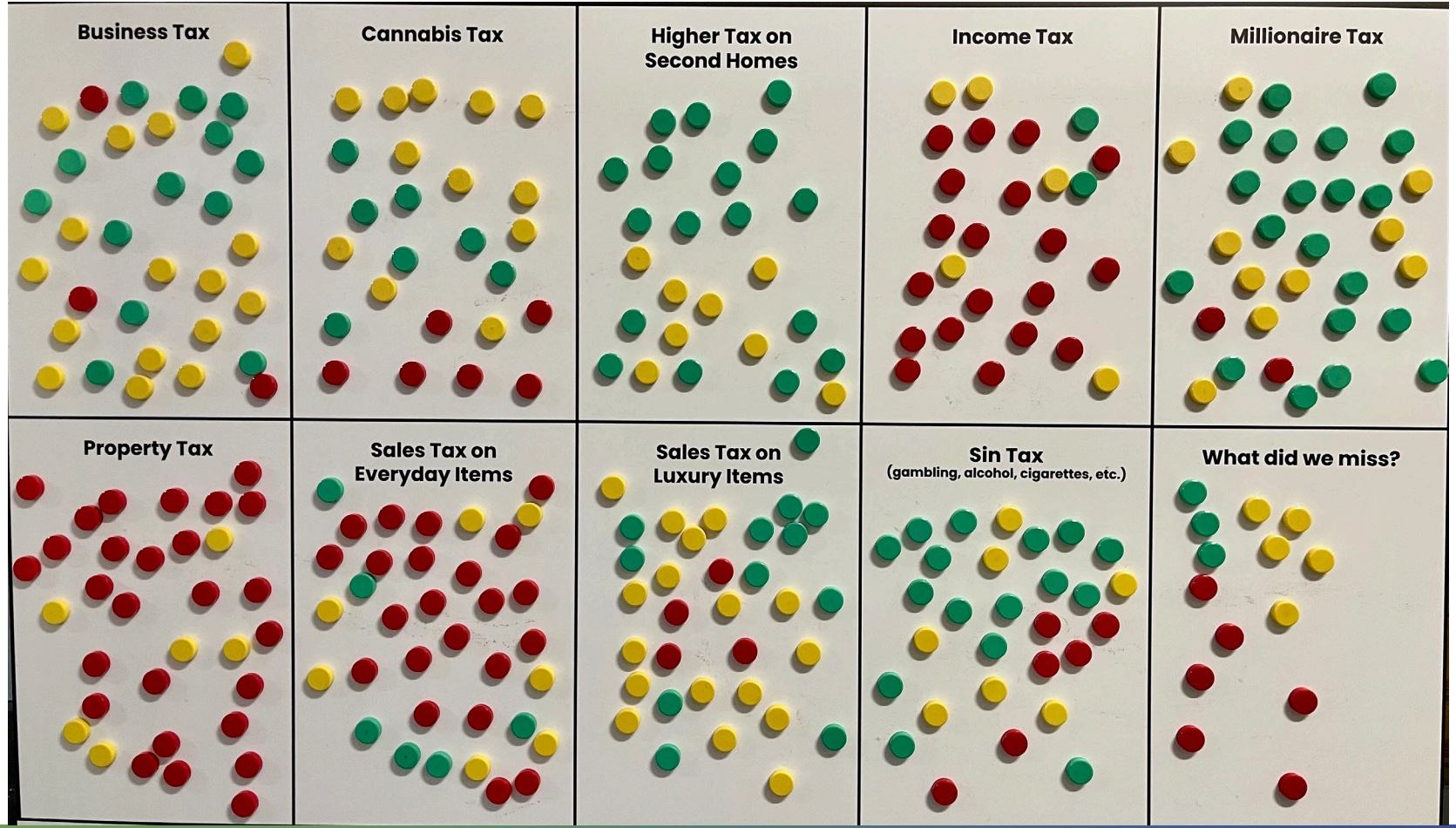
Let's talk about it…

How should we pay for the things our communities need?

What prompted you to vote the way you did?

What surprises you about the way the group voted?

Does seeing the revenue potential for each tax change your interest in any of the options?


Business Tax
Cannabis Tax
Higher Tax on Second Homes
Income Tax
Millionaire Tax
Property Tax
Sales Tax on Everyday Items
Sales Tax on Luxury Items
Sin Tax
(gambling, alcohol, cigarettes, etc.)
What did we miss?

How should we pay for the things our communities need?

Business Tax	Cannabis Tax	Higher Tax on Second Homes	Income Tax	Millionaire Tax
Property Tax	Sales Tax on Everyday Items	Sales Tax on Luxury Items	Sin Tax (gambling, alcohol, cigarettes)	

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- **2027 policy platform**
- **Questions**

2027 Policy Platform



WHAT

Increase the State's Share of Public Education Funding

Create Sustainable State Revenue for Public Education and Property Tax Relief

Fund Schools Based on Actual Costs and Student Needs

Reduce Funding and Tax Disparities Between Communities

HOW

Be Transparent and Accountable with Public Education Dollars

Center Local Voices and Expertise in Education Policy Decisions

THANK YOU!

to our partners and tour sponsors

The Neil and Louise
Tillotson Fund

NEW HAMPSHIRE
CHARITABLE FOUNDATION

nellie mae
EDUCATION
FOUNDATION

Questions?

Appendix?

(HB 1300) School District Tax Cap Ballot Language

Shall the [name of municipality] limit property tax growth for [name(s) of school district(s)] under RSA 32:5-i? If adopted for a two-year period:

(1) the local property tax levy may not grow beyond the prior year's amount, adjusted for inflation and new construction;

(2) SAU central office spending may not exceed 6 percent of total school district appropriations; and

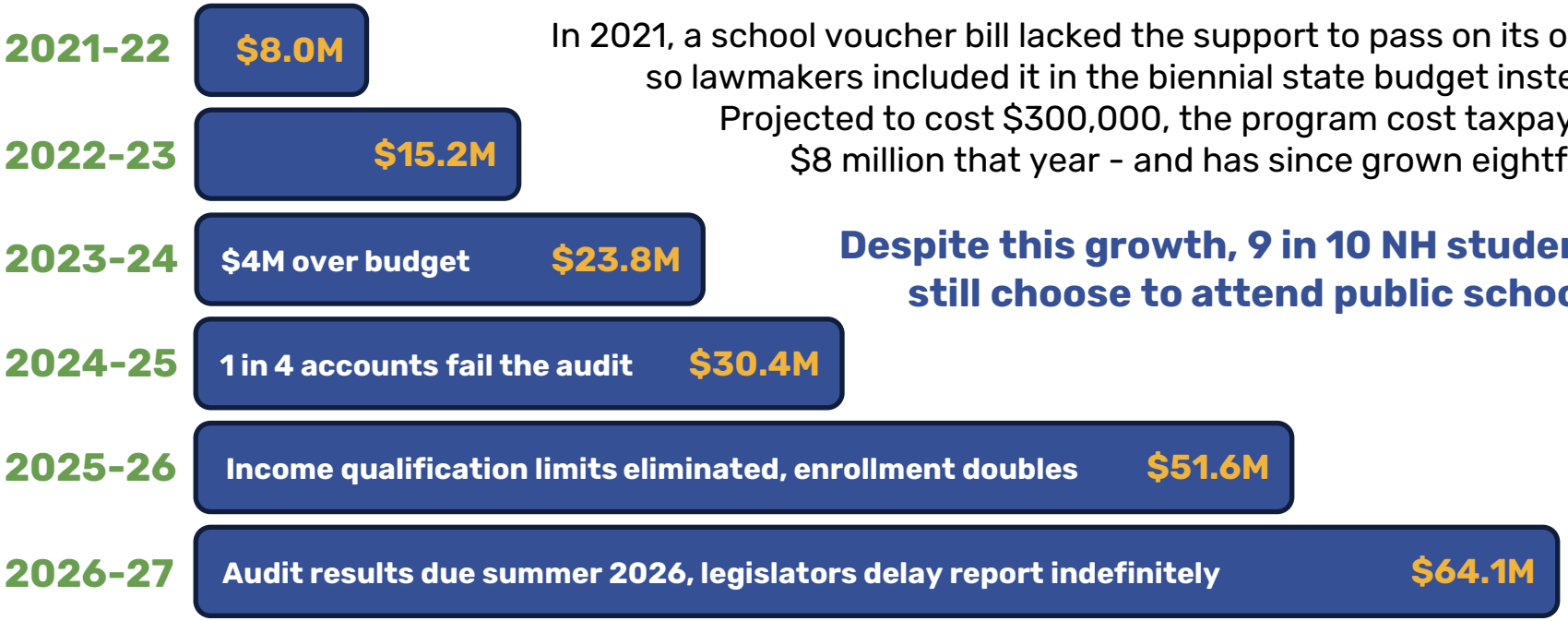
(3) bonded capital costs are excluded from both limits.

These caps apply only to administrative operations of the SAU central office and do not affect classroom instruction, school-based services, or other municipal expenditures. These limits may be overridden as provided in RSA 32:5-i. Adoption requires a three fifths (3/5) majority vote.

(HB 1300) School District Tax Cap Ballot Language

- If the tax cap applies broadly to district revenue, how can the ballot language assure voters that classroom instruction and school-based services will not be affected?
- Which personnel and expenses count toward the 6% SAU administrative-spending limit, particularly when employees perform both district-level and school-based work?
- How would the limits work in multi-town or multi-district SAUs if communities vote differently and only some districts are subject to a cap?
- How would capped districts manage tuition agreements, special-education costs, enrollment changes, or other expenses that are difficult to predict or control?

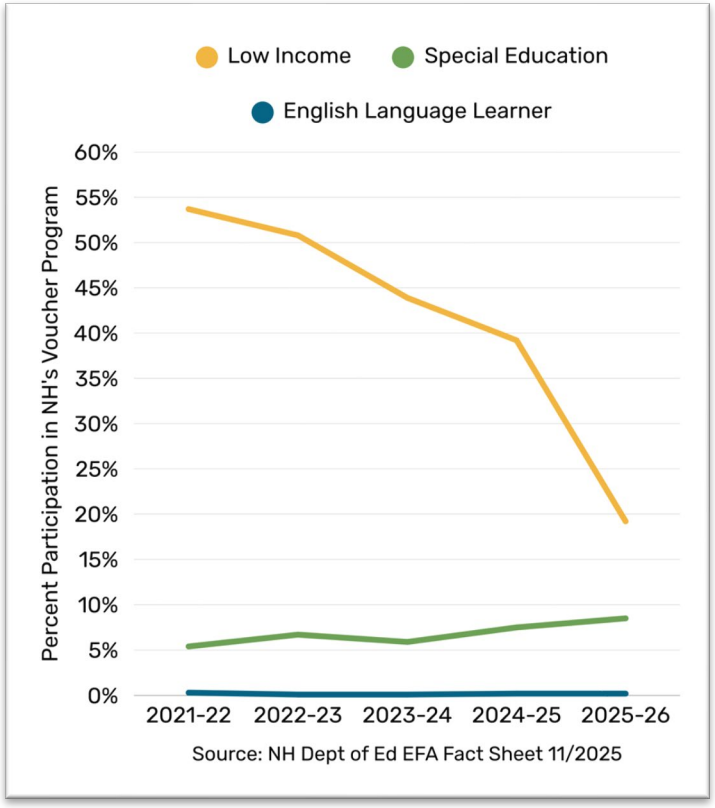
Education Freedom Accounts: a voucher by any other name



In 2021, a school voucher bill lacked the support to pass on its own, so lawmakers included it in the biennial state budget instead. Projected to cost $300,000, the program cost taxpayers $8 million that year - and has since grown eightfold.

Despite this growth, 9 in 10 NH students still choose to attend public schools.

Who Are Vouchers Really For?



INTENT

Education Freedom Accounts were originally described as a solution for lower income families who couldn't afford private school.

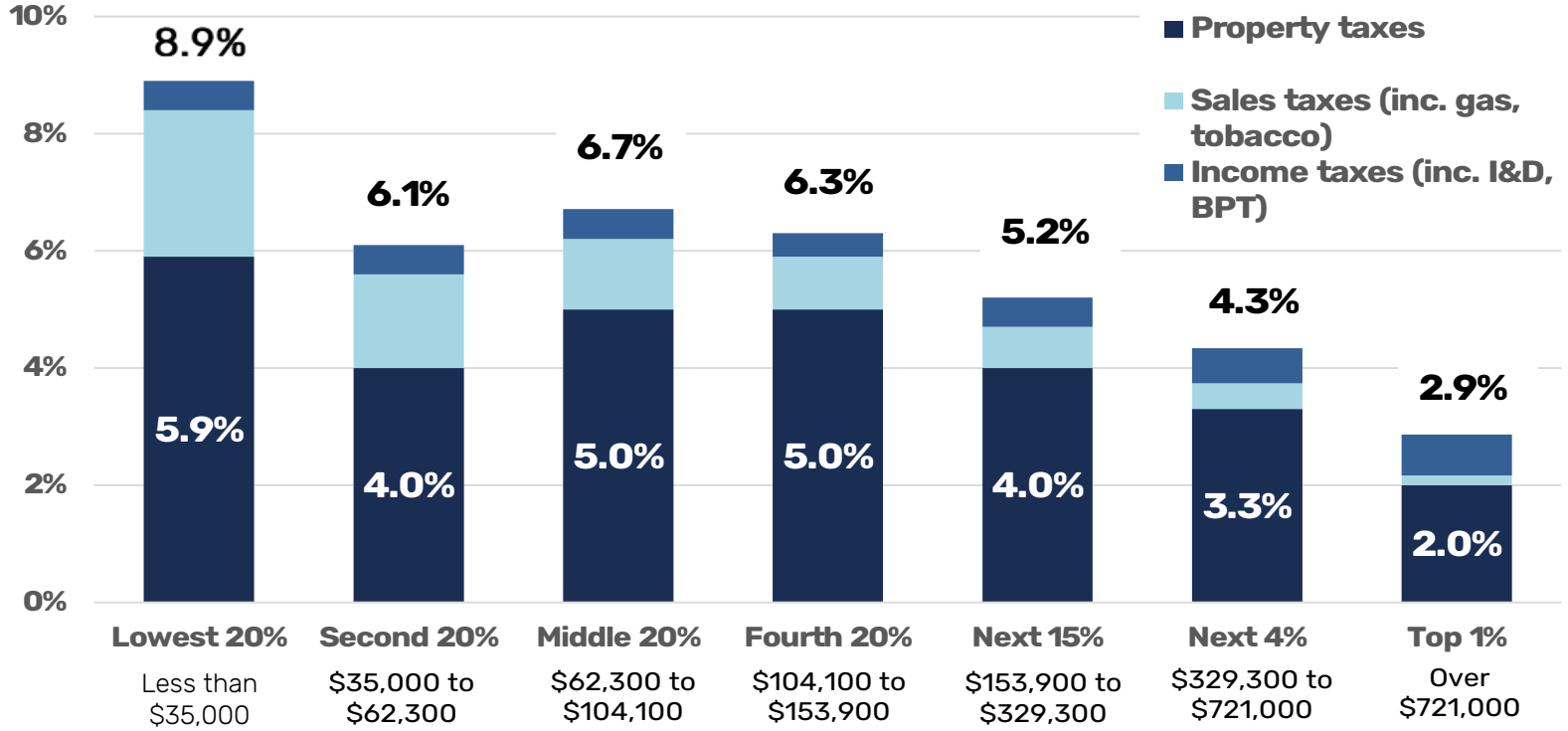
All income restrictions were eliminated in June 2025. The program doubled in size, driven mostly by wealthier families signing up for the first time.

IMPACT

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

Property Tax Reliance Adds is Regressive

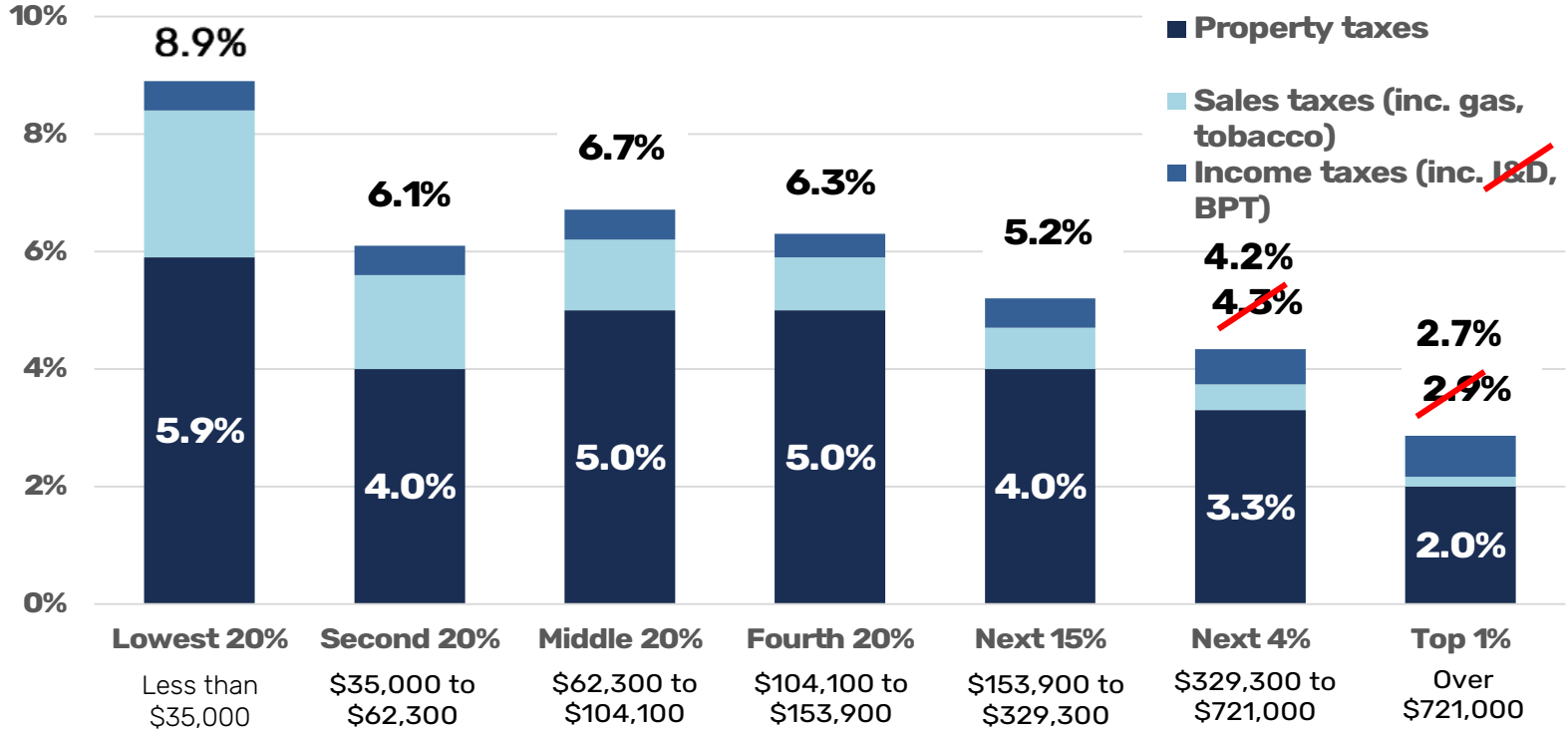
Taxes as a Share of Income, by Income Group, 2024



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