

# Commission to Study School Funding in New Hampshire Overview

*Prepared with and for the Commission by:*



University of  
New Hampshire

Carsey School of Public Policy



# Commission Activities in 2020



- Review PK-12 school funding and make recommendations
- Determine how funding complies with court orders
- Identify student performance trends and disparities
- Establish the cost of an adequate education
- Study the distribution and use of state funds
- Over 200 hours of meetings
- Stakeholder engagement
- Public outreach
- AIR Expertise
- UNH Carsey Support
- Final Report Issued Dec 1, 2020

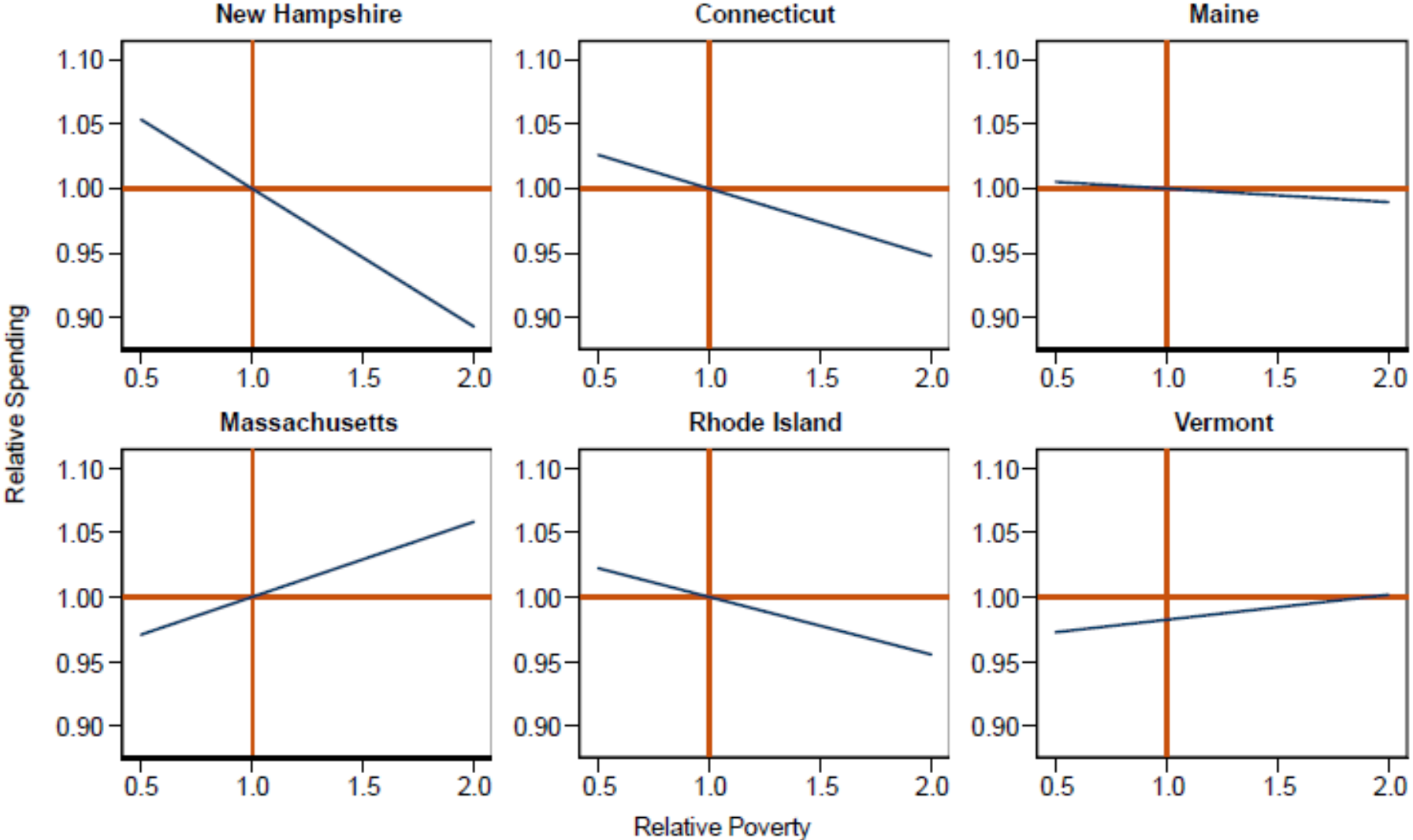
# School Funding in NH - Now

- Students in New Hampshire, on average, perform at relatively high levels with respect to outcome measures
- School districts spend a relatively high amount per pupil, as a statewide average, compared to most other states
- State funding per pupil is the lowest in the nation
- State funding fairly flat per pupil, some differentiated aid
- Local districts bear most of the burden

# Findings

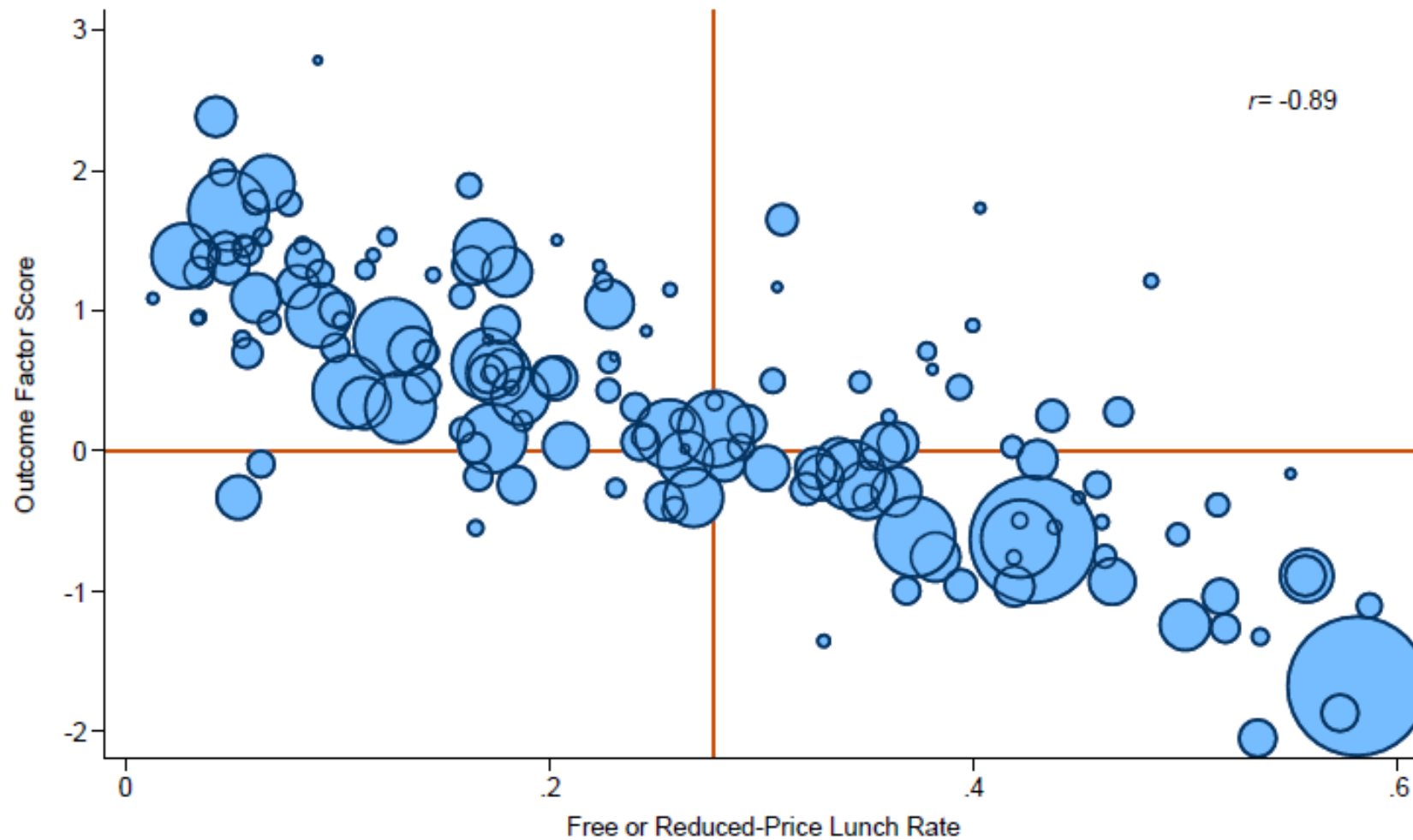
- Districts with lower property values (property wealth) per pupil spend less, on average, than districts with higher property wealth
- Districts with the highest poverty rates typically have outcomes that are 1–2 standard deviations *below* the state average
- States that direct more funds to districts with fewer resources improve student outcomes in those districts (MA and NJ)

# NH's Distribution of Total Public Education Resources is "Regressive"



# NH's Distribution of Total Public Education Student Outcomes is Inequitable

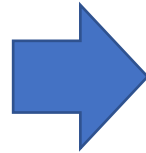
Exhibit 14. Relationship Between Student Outcomes and Free or Reduced-Price Lunch Rate



# Adequacy defined in terms of outcomes

## Original Formula was Input Based – What does it cost to run a school?

- Add up list of associated costs and determine base
- Assign extra weights for students who have special needs, are low income, are English learners— differentiated aid
- DOE25s/Accounting Model



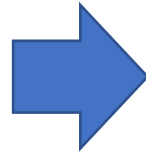
## Outcome Based Approach– What does it cost to educate a student?

- Construct composite outcome score (graduation rate, performance on state assessments, attendance)
- Determine desired level of performance for all...set at average statewide student performance
- Statistically determine what extra costs are required by students with different needs
- Predict cost required for each district to achieve adequacy
- Student Centered Model

# State funding defined by district means

## Current “one-size-fits-all” funding formula

- Every district receives the same state aid per student
- Some districts are not able to raise enough local tax dollars to fund an adequate education
- Property tax rates vary widely across New Hampshire
  - High of \$22.50 (Brookline)
  - Low of \$2.70 (New Castle)

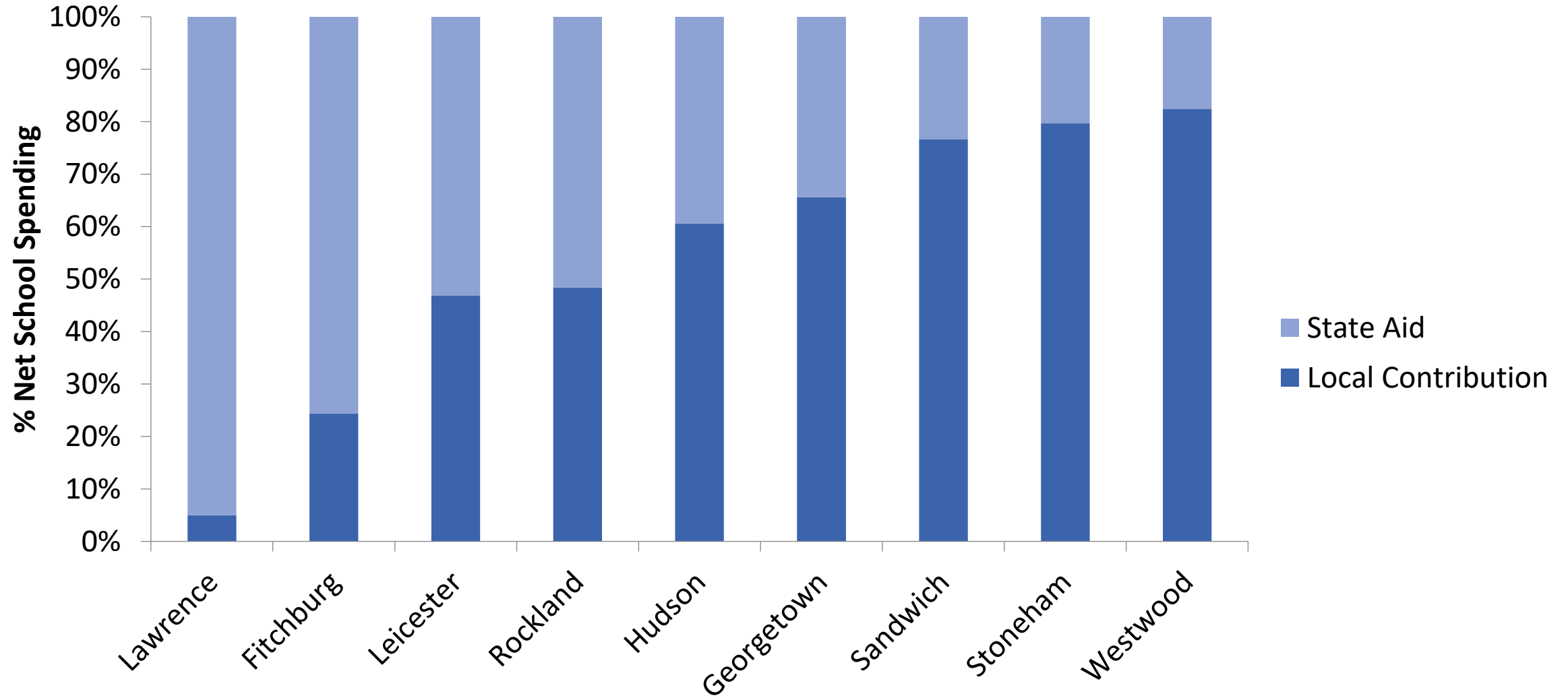


## Commission Approach is based on means

- Reasonable and proportional contribution from all cities and towns
- State funds make up the difference needed for every district
- Improves student and taxpayer equity
  - All students will have the opportunity for an adequate education
  - Property taxes are reasonable and proportional



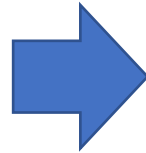
# Districts receive different levels of Chapter 70 aid because their community's ability to pay differs



# Property Tax Relief Program

## Current program does not work

- Fails to direct relief to homeowners with limited means
- Outdated eligibility requirements so very few homeowners qualify
- Underfunded by the state
- Maximum of \$200 doesn't do much to help anyone



## FY22 Significant Updates

- Improves tax fairness for low- and moderate-income homeowners in every city and town
- Up-to-date income and home value eligibility thresholds
- Funded by the state
- Maximum \$1000 benefit
- Future updates to include relief for renters and for tax deferral programs

# Recommendations to improve student and taxpayer equity

## Cost

Calculate the cost for school districts to educate students to a state average outcome

## Funding

Make sure every district has access to the resources they need to fund their school budgets

## Tax Relief

Design a robust property tax relief program for low- and moderate-income homeowners funded by the state

## Legislation

Implement durable legislation that reflects the state's constitutional obligation to provide an opportunity for an adequate education for all our kids

# Status of legislation in 2021

- SB 145 and HB 623 - stabilize funding for FY22/23 and restore need-based funds (KILLED IN SENATE AND HOUSE)
- SB 158 - cost and funding formulas for FY23 (KILLED IN SENATE)
- HB 504 - property tax relief and SPT reform (RETAINED IN HOUSE)
- SB 135 – COVID related reduction in state funding for FY22 (RETAINED IN HOUSE – REFUSED TO CONSIDER AMENDMENTS FOR EQUITABLE FUNDING WITH \$120M, KILLS THE BILL, TAXPAYERS ON THE HOOK)
- HB 2 – Increases appropriation to ETF by \$133M, but directs the funds to property wealthy towns (WASTEFUL SPENDING INCONSISTENT WITH COMMISSION RECOMMENDATIONS)

# Website, Resources, Comments

- All presentations, reports, and related resource materials received by the Commission are available at <https://carsey.unh.edu/school-funding-study/resources>
- Find Commission meetings and public commenting sessions under the calendar <https://carsey.unh.edu/school-funding/calendar>
- Questions and comments may also be submitted through this form <https://unh.az1.qualtrics.com/jfe/form/SVe4gwYUyg0FHQNxP>.
- Contact the Commission at: [SchoolFunding.Commission@unh.edu](mailto:SchoolFunding.Commission@unh.edu)



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