

This letter will be delivered to the House Finance Committee during the public hearings for the State Budget, which is typically held in early March (date TBD). The letter will be submitted exactly as depicted below. If you have any questions, please email Zack Sheehan at zsheehan@fairfundingnh.org or Matt Gerding at mgerding@somersworthnh.gov.

If you are a local elected official and wish to sign on, please fill out this form and your name will be added below on a rolling basis: <https://forms.gle/UkAtMfGMrZkR6TZg9>

To Governor Sununu and the General Court of New Hampshire:

Two years ago, a group of [over 80 local leaders](#) - including Mayors, City Councilors, Select Board members, and School Board members - requested that the State of New Hampshire make changes to its education funding system in order to address well-known inequities and gaps. Over the past two years, we have worked hard for our schools and communities to provide the best education possible for our students while balancing the economic realities of our taxpayers.

During that same time, the State continued to avoid its constitutional responsibility to provide adequate education to New Hampshire students. The current state budget - passed in 2021 - continued to downshift costs onto local towns and cities. The budget [removed targeted property tax relief directed towards communities with lower property values and high taxes](#), in favor of tax cuts that benefited wealthier communities more than those with higher levels of need. Meanwhile, the State has seen years of record surplus, indicating that additional funds exist to implement these needed changes. Education funding in New Hampshire continues to be inequitable. Lawmakers have allowed for a decrease in education funding year after year, [contributing to increases in property taxes across many communities throughout New Hampshire](#). Currently, lawmakers in Concord are working on the state budget. This is the single most significant vehicle for addressing this problem and we once again call on the New Hampshire Legislature and Governor to act.

There is a significant gap between the actual cost of education and what the State has determined to be adequate. The average cost to educate one student for a whole year is about \$20,000, however the State only provides, on average, approximately \$4,700 per student. Local property tax payers must make up the difference, resulting in large variability in tax rates and the quality of education provided. Communities that struggle to raise money for their schools are the communities that are forced to increase their tax rates the most. Unsurprisingly, in its [final report, the Commission to Study School Funding](#) found that the “current public school funding system should be reformed to include increased state budget funds that are directed to communities that have greater student needs, which will also result in greater taxpayer equity by reducing disproportionate burdens on poorer towns.”

As determined by numerous New Hampshire Supreme Court rulings, the State has a constitutional duty to fund public education. However, decades of inaction and cost-downshifting

onto towns and cities by the State have disproportionately forced local taxpayers to pick up the tab for education. According to data from the U.S. Census Bureau, [New Hampshire has the lowest percentage of state funding for public education of any state in the country](#), resulting in local property tax payers being forced to bear over 70% of the total cost of public education, far exceeding the national average of 44.5%.

The work of the Commission to Study School Funding is still fresh, yet none of the findings or suggestions of the commission have been incorporated into how our state funds education. The commission's major findings point to a regressive education funding system that utilizes inaccurate funding models, provides fewer resources to communities with higher needs, and consequently produces lower educational outcomes for those communities. Just recently, New Hampshire received another [“F” from the Education Law Center on how well it distributes state funds to schools with high levels of students experiencing poverty](#). The framework of solutions proposed within the commission's final report would result in property tax relief for the vast majority of local taxpayers. The solutions would also improve outcomes for many high-need students by not only providing more education funding to almost all school districts, but by specifically aiding districts that serve students with greater needs.

It is once again the strongly held belief of those signed below that strong, well-funded public education is the most important asset for the future of New Hampshire and its citizens. With about 90% of New Hampshire children attending public schools, the lack of investment from the State not only harms local taxpayers, but also the vast majority of our children. We believe that the State of New Hampshire needs to invest in the future of this state and its students by incorporating the recommendations from the Commission to Study School Funding into the state budget process.

Addressing these inequities could finally bring the State of New Hampshire into compliance with the multitude of education funding decisions issued by the New Hampshire Supreme Court in the decades since the first *Claremont* ruling in 1993. The continued failure to shift the burden of public education off the shoulders of local property taxpayers has resulted in multiple on-going lawsuits against the State of New Hampshire. These lawsuits are challenging not only how much money the State pays towns and cities in adequate education funding, but also how that money is raised. Regardless of the outcomes of these lawsuits, the responsibility to address the funding disparities remains in the hands of the New Hampshire Legislature and Governor.

As with any system or structure that has been left unrepaired and unmaintained for decades, the efforts required to resolve the issues at hand will need to be substantial and intensive. But it doesn't mean it will be harmful to the wallets of Granite Staters. Modeling done by the American Institute of Research for the Commission to Study School Funding found that if the State were to take responsibility for the bulk of education funding, “70% of towns would see a reduction in property tax rates.” The cost savings for most New Hampshire taxpayers, however, should not be the only reason for acting on this issue. These changes are necessary for the long-term success of New Hampshire's public schools and students.

Through the current state budget process, the Legislature and Governor have an opportunity to fix these problems to ensure that students in every school district in New Hampshire have access to the best possible public education, while also providing real property tax relief to taxpayers in every corner of the state. By fulfilling its constitutional responsibility to fund education, the State will address the present economic realities and hardships faced by many of our neighbors, while investing in our students and the future of New Hampshire.

Signed,

[If you are a local elected official and wish to sign on, please fill out this form and your name will be added below on a rolling basis: <https://forms.gle/UkAtMfGMrZkR6TZg9>]