



NH SCHOOL  
Funding Fairness  
Project

# NH School Funding Fairness Project

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

January 16, 2025

# Education funding: let's talk about it!

- How does NH fund public education?
- Why is this unfair for students and taxpayers?
- How are special education services affected?
- What can we do to change the system?

# Where does education funding come from?

Other states rely on a combination of:



Income tax



Sales tax



Property tax

NH has no income tax or sales tax, so education costs are largely paid for using property taxes.



Communities near **lakes, the ocean, or ski mountains** usually have higher property values, so they can set lower tax rates and still raise plenty of money for their schools.

# Calculating the Cost of an Adequate Education

Schools receive **\$4,182** annually per student to fund an "adequate education". **Some** students qualify for extra funding if they...

...are eligible for  
free and reduced-  
price meals

**+ \$2,346**

...receive special  
education  
services

**+ \$2,142**

..are English  
Language  
Learners

**+ \$816**

**An average of \$5,279 is spent per student on all adequacy aid**

# New Hampshire School Funding

NH Relies Overwhelmingly on Local Property Taxes to Fund Public Education

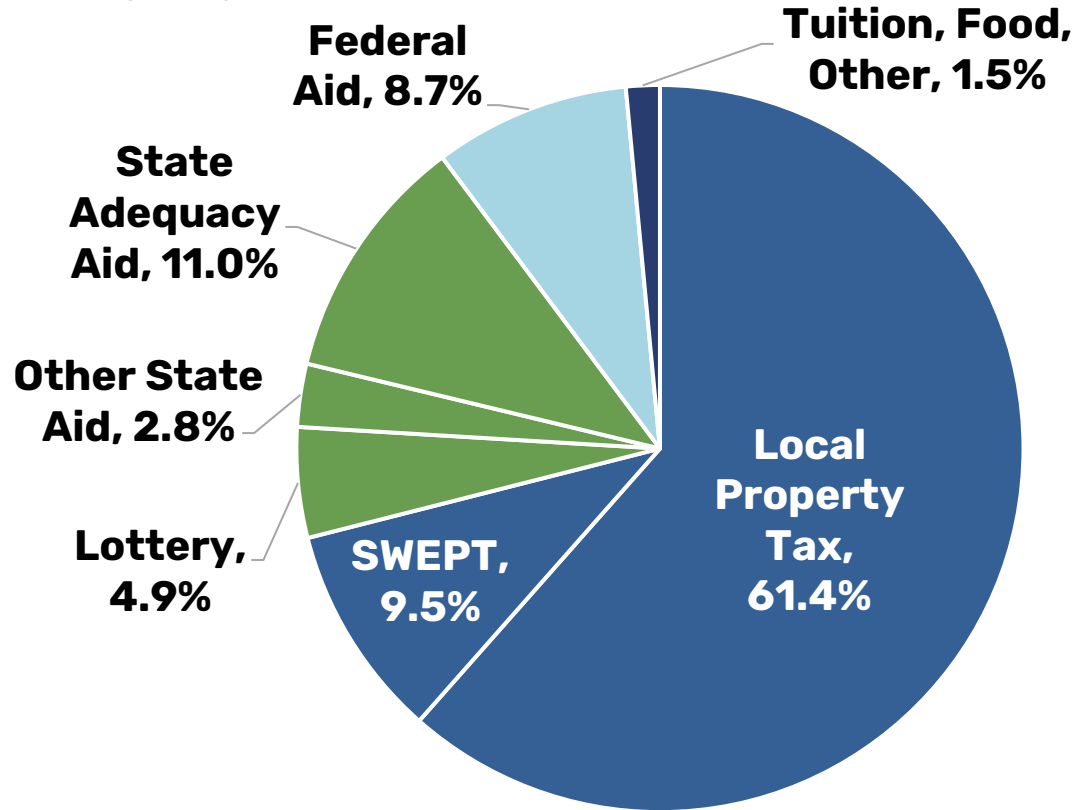
## Current System:

**\$3.8B in Total Revenue**

**Federal Aid: 8.7%**

**State Revenue: 18.7%**

**Property Taxes: 70.9%**



# Public High School Metric Comparison

Criteria	District A	District B
Percentage 3 <sup>rd</sup> Graders who are Proficient or Above in Math & Reading	78% Math, 71% Reading	29% Math, 31% Reading
Percentage of Students who Graduate	97%	78%
Percentage of AP Test Takers Scoring 3 or Above	79%	39%
Average Teacher Salary	\$85,582	\$51,491
Median Household Income	\$91,915	\$61,664
Local Education Property Taxes	\$5.65 per \$1,000	\$13.25 per \$1,000
Education Property Tax Bill on \$350,000 Home	\$1,645	\$4,371

# Public High School Metric Comparison

Which Schools are these...

Portsmouth

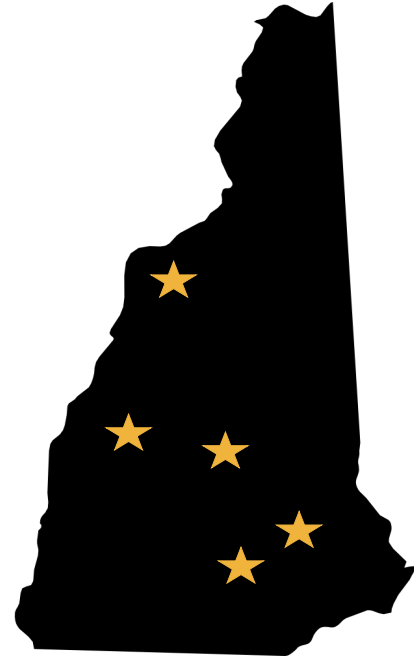
Claremont

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Percentage of AP Test Takers Scoring 3 or Above	79%	39%
Average Teacher Salary	\$85,582	\$51,491
Median Household Income	\$91,915	\$61,664
Education Property Taxes (includes SWEPT)	\$5.65 per \$1,000	\$13.25 per \$1,000
Education Property Tax Bill on \$350,000 Home	\$1,645	\$4,371

# The Claremont Rulings

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

School Districts including  
**Claremont, Pittsfield, Lisbon  
Regional, Franklin,** and  
**Allenstown** as well as 8  
taxpayers & parents and 5  
students all came together to sue  
the state of New Hampshire.



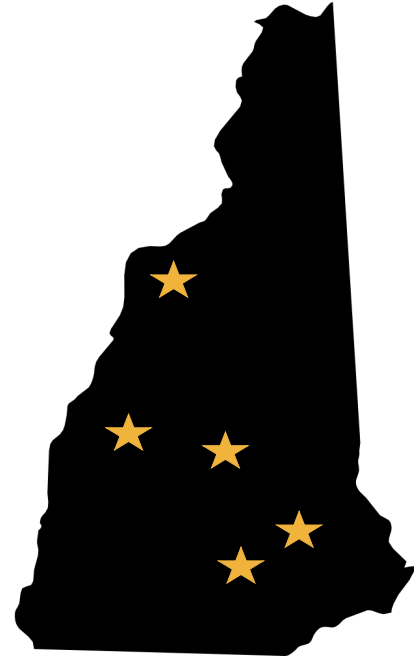


# The Claremont Rulings

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.



# New Hampshire School Funding

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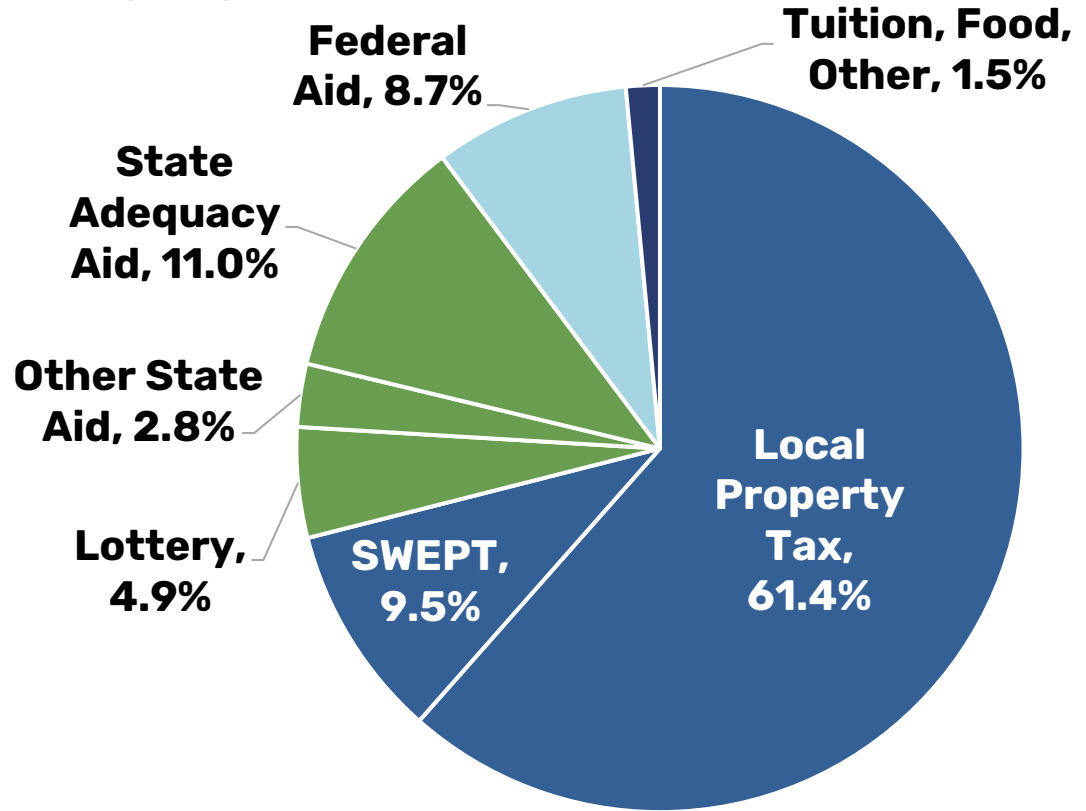
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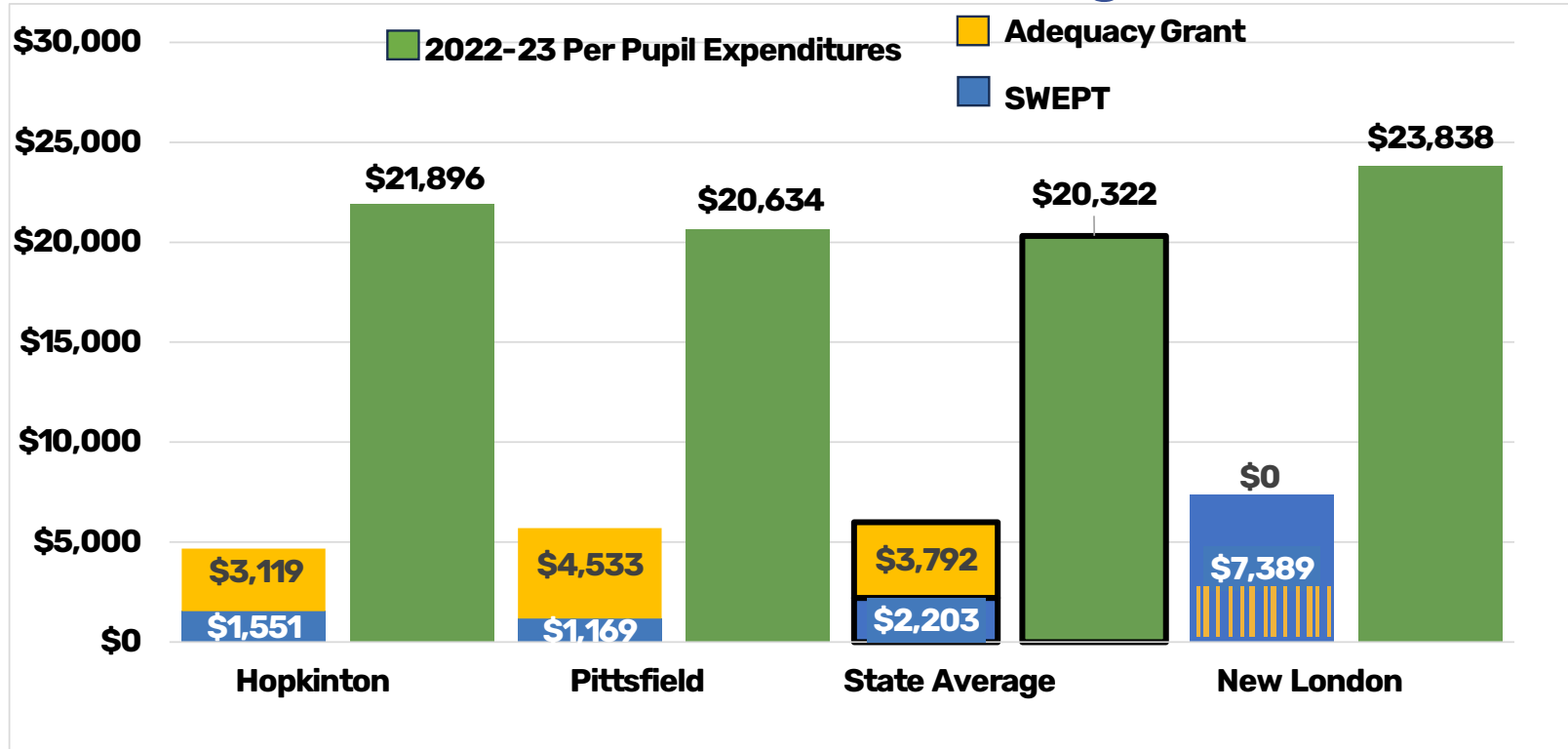
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# Current State Adequacy Grants Fall Well Short of Costs Communities Face in Educating Children



# What does an 'Adequate' K-12 Education Cost?

An Example...

The State of New Hampshire said that, for Allenstown's 511 students, an adequate education should cost **\$2,418,121** or **\$4,980** per student in 2022-23.

The Allenstown School District budget for 2022-23 was **\$12,243,949** or **\$24,197** per student.

*Let's see what we must pare down to reach the adequate education target budget...*

# Eliminate...

- X all busing (including special education busing)
- X all supplies, copier machines, liability insurance, plumbing and heating repairs
- X all educational materials (including new textbooks)
- X all art, music, and PE equipment
- X all Chromebook technology and software contracts
- X all payments on the school building bond (*resulting in default*)
- X all food services
- X grounds maintenance (including plowing)
- X SAU 53 costs (including the superintendent and staff) and fees for audits and attorneys

# Eliminate...

- X all English Language Learner support
- X all special education contracted services
- X all special education appraisal services
- X all special education out-of-district placements
- X all co-curricular clubs, sports, field trips, and student assemblies
- X all summer programs
- X two secretaries
- X three of 4 custodians
- X all school board stipends and fees
- X one of the 2 nurses
- X both guidance counselors
- X both street crossing guards
- X technology support personnel
- X the assistant principal
- X 2/17 special education paraprofessionals (special education coordinator cut to half-time)

# Eliminate...

- X special education speech/language pathologist
- X all substitute salaries
- X the reading specialist
- X the special education secretary
- X the library media specialist
- X the speech language pathologist
- X reduced library aid to half-time
- X the art teacher
- X the music teacher
- X the physical education teacher
- X the behavior teacher
- X one of 7 special education teachers

# What about High School?

Allenstown pays \$2.2 million in tuition to send its 147 high school students to Pembroke Academy.

There is no way to control this line item, so it had to be cut.

**An "adequate education" in Allenstown ends in the 8th grade.**



# What does an 'Adequate' K-12 Education Cost?

In order to reach the State's "adequacy" level of \$2,418,121 and given everything else that has been cut, the remaining items involve teaching staff

- Grades K-4 would have 29 students / teacher ratio
- Grades 5-8 would have 38 students / teacher ratio

**How does anyone believe this  
will provide an adequate  
education for Allenstown's  
511 students?**

# Special Education Cost Breakdown 2022-23

**157,405 students** attended NH public schools in 2022-23.

**30,964** of them received special education services.

Total education expenses equaled **\$3.81 billion dollars**.

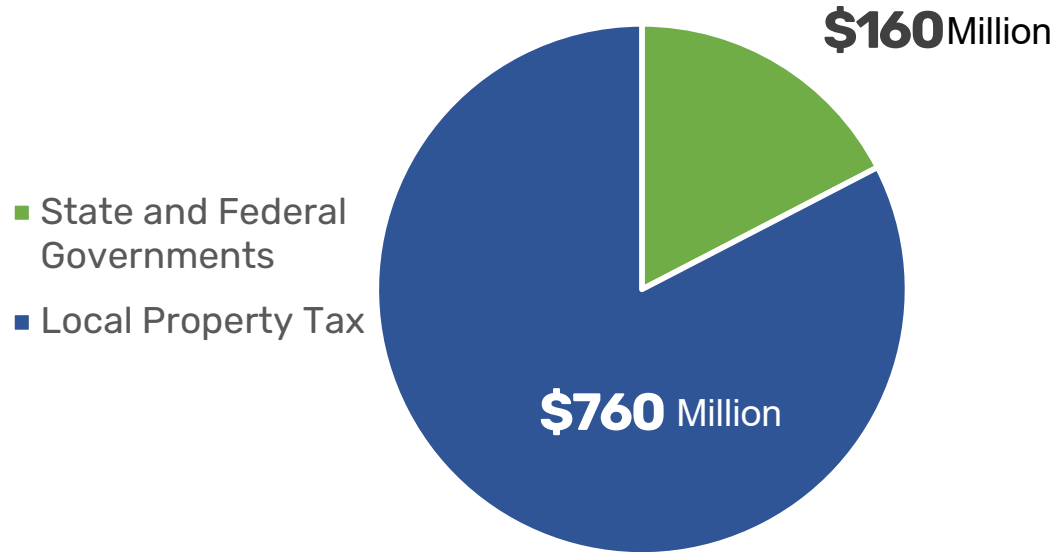
*Let's break that cost down....*

**General education services** cost \$2.9 billion, which is **\$18,420** for every student

**Special education services** cost \$915 million dollars, which is **\$30,965** extra per student

*What percentage do you think the state and federal government pays for special education services?*

# Special Education Funding



# Quick Facts on Special Education Funding in NH

In 2023, state and federal governments covered only 17.47% of services for students with disabilities, down 1% from the previous year.

60 out of 176 New Hampshire public school districts spent over 25% of their total budget on special education services in 2023.

The highest proportion of special education spending was in Benton School District, at 45.65%.

The average cost to educate a student with a disability is \$47,975; this figure is \$29,556 more than the average cost (\$18,419) to educate students who do not receive these services.

The state's average special education contribution was \$3,094, only 10.47% of the actual cost.

Special Education Aid (formerly called Catastrophic Aid) accounted for just 3.7% of the total funding for disability services.

# HB 1656 – a frustrating story with some "wins"

- HB1656 was a special education funding bill from last legislative session.
- The original bill text would have increased funding per student to \$27,000 at an additional cost of around \$750 million.
- Amendments in the House reduced the bill to about \$17.5 million (*less than 3% of the original cost*)... but the bill PASSED the House in a landslide bipartisan vote of 349-26.
- In the Senate, an amendment was made to double the spending to \$35 million, but the Senate voted that amendment down, and then voted to send the bill to "interim study" - a polite legislative way of killing the bill.
- **Find the wins!!** The disability community mobilized! The conversations began, and now it's our job to continue the momentum.

# Ongoing School Funding Lawsuit: *Rand v. State of NH*

- Filed in June 2022 by taxpayers from Plymouth, Newport, Penacook, and Hopkinton.
- Rand argues that local property taxes, used to fund the bulk of the State's funding obligation for public education, are **not uniform in rate**, which is a violation of standard defined in the Claremont rulings.
- The plaintiffs challenge both base adequacy aid and differentiated aid, contending that the State's total funding obligation should be closer to average spending in the state.

## Ongoing School Funding Lawsuit: *Rand v. State of NH*

"The amounts allocated by the State to pay for the various differentiated aid stipends are arbitrarily low and insufficient to pay the additional costs necessary to provide the children who qualify for differentiated aid with a constitutionally adequate education."

- Plaintiffs' initial June 2022 filing



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# Recap:

## How does NH fund public education?

Mostly through local property taxes, which vary greatly by district.

\$2.7 billion is downshifted from the State every year

## Why is this unfair for students and taxpayers?

Every district has different tax rates, academic opportunities, and student outcomes.

Higher taxes don't guarantee better academic outcomes.

## How are special education services affected?

The state contributes very little to special education costs, so taxpayers foot most of the bill.

Schools are forced to choose between cutting services or increasing taxes when costs increase.

## What can we do to change the system?

Know who your legislators are! Share your story, testify at hearings, submit testimony via email.

Your voice matters – use it!!