

Commission to Study School Funding (RSA 193-E:2-e)

Meeting Minutes
July 7, 2020, 2-4 pm

Commission Attendance: Bill Ardinger, John Beardmore, David Luneau, Val Zanchuck, Mary Heath, Dick Ames, Chris Dwyer, Mel Myler, Jay Kahn, Corinne Cascadden, Jane Bergeron-Beaulieu, Rick Ladd, Jon Morgan, Iris Estabrook. Not present: Susan Huard, Dave Ryan, Barbara Tremblay. Also present: Daphne Kenyon, Bruce Mallory, Carrie Portrie, Jordan Hensley, Michele Holt-Shannon, Drew Atchinson, Jenn Foor, Drew Atchison. 20 public attendees.

Welcome/Call to order/Tech check/Chair's comments:

Commission chair Dave Luneau welcomed everyone and conducted roll call. Jordan Hensley and Dave checked access for public access, all was well. Dave took a moment to talk about public comment during meetings reflecting upon the challenges at first with COVID-19. The Commission opened the opportunity last week and will continue to include 15-20 minutes at the end of each meeting moving forward. Dave also talked about the possibility of providing greater opportunity for public comment outside the Commission meetings by holding a monthly public commenting meeting when the executive team and other Commission members (are welcome but not required) listen to the public's feedback and thinking. He reminded attendees and Commission members that the public is welcome to email their thoughts at SchoolFunding.Commission@unh.edu or fill out the public commenting form: https://unh.az1.qualtrics.com/jfe/form/SV_e4gwYUyg0FHQNxP. Mel Myler the chair of the public engagement workgroup confirmed there would be additional opportunities as well. Bruce Mallory also explained to the Commission and Attendees when longer public commenting periods would occur on Wednesdays moving forward (monthly then bi-weekly). The timing will be posted on the Commission website calendar - <https://carsey.unh.edu/school-funding/calendar-news-events>. Bruce then reviewed the group agreements by the Commission.

Dave asked the Commission to approve the minutes. Mel motioned to approve, and Mary Heath seconded. Changes, amendments, edits: None mentioned. Dave conducted a roll call of Commission members and all replied yes, so the minutes carried.

Presentations & Discussion:

History of School Funding: Dr. Daphne Kenyon, Resident Fellow, Lincoln Institute of Land Policy joined the Commission to speak about the History of School Funding. Dr. Kenyon provided a presentation of two documents: (1) Preliminary findings, *The Property Tax--School Funding Dilemma, 2020 update* and (2) Discussion Paper—*New Hampshire's Quest for a Constitutionally Adequate Education*, Federal Reserve Bank of Boston, 2006. A recording of her presentation is available at: <https://carsey.unh.edu/school-funding/school-funding-study/resources/meeting-documents-video>.

Discussion: Rick Ladd asked about the relief funds for property owners and the circuit breakers Dr. Kenyon talked about in her presentation. John Beardmore provided an explanation and commentary about how it works for taxpayers with the DRA in NH and how the program is marketed to eligible homeowners. More information is available here: <https://www.revenue.nh.gov/faq/low-moderate.htm>. Dave asked Dr. Kenyon if there was a means to measure the horizontal tax equity in a community? Dr. Kenyon expressed that the NH tax works pretty well, and there are other states that

work much worse than NH. Bill Arbinger referenced the slide “Grading NH” with adequacy of spending (the total amount spent in a district spent on a per pupil basis) and equity of school aid and discussed equity in terms of school funding needs in communities. Jay Kahn asked about funding and equity in the state’s formula regarding the difference in spending among lower and higher income communities. Chris Dwyer talked about using income as well as property value regarding the differences in opinions between Dr. Kenyon and her colleague. Chris also asked about school finance and achievement. The authors of Dr. Kenyon and colleagues forthcoming paper and research will explain further. Dr. Kenyon asked if members of the Commission would like to comment upon the paper, and Bruce agreed to facilitate that opportunity. Dick Ames referenced the tax relief based on income which does not provide a substantial relief from his perspective, and the process and structure are not designed for success. Dr. Kenyon suggested an alignment between the tax rebate more in line with federal tax deadlines to help elevate the program. Dick also asked about the “donor town” issue in NH, which Dr. Kenyon says there is a debate amongst her team and notes similar challenges in Kansas, Vermont, and Texas. It is an open debate with multiple perspectives to consider. Dave asked about zoning ordinances, current use, fair market value, and disparities as well as reports that may further the Commission’s understanding. Dr. Kenyon talked about the current use assessment in NH related to the tax base impact, and said the DRA may have a database with town by town tax base and the exempt properties; it varies state by state in her experience and research. John Beardmore said that data may be available, and noted the complicated conversation regarding considering current use: <https://www.revenue.nh.gov/current-use/index.htm>. Dr. Kenyon said she would reach out to a fellow to provide more observation about assessment of NH towns and fair market assessments of properties. Dave referenced the Mosaic Equalization System: <https://www.revenue.nh.gov/mun-prop/property/eq-mosaic/index.htm>. John asked about NH’s unlimited property tax ability in local government in terms of rate and amount – this is uncommon for four government jurisdictions to have this ability when comparing NH’s process to other states. Dr. Kenyon confirmed that NH is unusual with its lack of limits and noted that some communities in NH like Manchester and Nashua do have limits, but the state does not. The first draft of Dr. Kenyon and colleagues’ paper will have a first draft for Commission comment (goal for full report June 2021). Review the video of the presentation and discussion.

Discussion, AIR Brief – National Review of State School Funding Formulas: This presentation and discussion was postponed to the next meeting.

Workgroup updates:

Public Engagement: Mel Myler updated the Commission about the Public Engagement Workgroup. The group distributed a school employee survey which has received over 1,000 responses and closes on July 10th. A summary of the municipal and school leader stakeholder groups will be provided to the Commission on July 13th. The workgroup will put forth questions for the Granite State poll. Community convenings will ensue in the fall. Bruce also noted the plan for some of the public comment sessions to be dedicated to student voice and the partnership with Reaching Higher NH regarding the materials they are preparing to provide accessible information for student voices to be informed about school funding.

Adequacy: Jay Kahn updated the Commission that the workgroup will have a presentation on Building Aid on July 16th. There are areas like early childhood, CTE, and building aid that may need consideration regarding adequacy. The group is looking at two cost points for adequacy based on their research and discussion, Jay asked: Do we need more cost points to complete the work in understanding the cost of education? He also referenced the timing, as the workgroup sorts through the information they have to

begin making some choices. Dick Ames asked when AIR will be sharing some of their findings regarding NH. Drew Atchison explained they are waiting on a few pieces of suppressed data from the NH DOE to move forward with their modeling. They will then provide more information. Dave and Bruce explained that it is important to protect family and parent privacy, the transparency of the process, and further information will be provided soon.

Fiscal Policy: Dave Luneau explained the workgroup discussed the Shaheen 2000 (<http://www.gencourt.state.nh.us/statstudcomm/committees/1506/documents/Shahen%20EO%2000-2%20Report.pdf>) report in terms of the six criteria for determining taxes and revenue sources (insert link). Next week the group will talk about modeling different revenue sources and who needs to be engaged and asked to lay the groundwork for the final phases of the Commission's work – when the pieces come together from each workgroup's findings into the final recommendations. Dave made the comment that he hopes the Commission will be able to build upon the lessons-learned and studies from the past.

Public Comments:

Elizabeth Canada – Interim Director Reaching Higher NH: Provided a brief overview of their organization. Elizabeth then provided some recent findings regarding teacher salary and the step system for salary schedules (negotiated at the local level). Elizabeth provided a brief overview of their findings, and asked for time with the Commission to present their findings further. Bruce, Jay, and Dave will discuss the calendar and timing.

Adjourn

Documents

- [6/22 Minutes](#)
- [7/7 Agenda](#)
- [The Property Tax School Funding Dilemma](#)
- [New Hampshire's Quest for a Constitutionally Adequate Education](#)
- [State Funding Formulas - A National Review](#)
- [Dr. Kenyon Presentation](#)
- [Additional Sources via Dr. Kenyon](#)

Direct public comments to Commission Chair David Luneau at schoolfunding.commission@unh.edu

Website: <https://carsey.unh.edu/school-funding>
<http://www.gencourt.state.nh.us/statstudcomm/committees/1506/>