

Thoughts reference School Building Aid – Rep Rick Ladd

October 18, 2020

As you are aware, the school building aid formula and associated appropriation of building aid grants has undergone intense debate and study by legislators and third party resources for years.

The formula does include progressive principles that supports property-poor districts. Because property-wealthy districts are able to raise more funding for capital projects than property-poor districts with the same tax rate, the current school building aid grant process allows for and includes statutory language for the selection and awarding of grants to: “score each proposal based on...(6) a school district’s fiscal capacity based on measureable criteria such as the percentage of pupils eligible for free and reduced priced meals.”

The current distribution formula also contains the provision requiring the state to forward 80% of the grant to the district at the front side of the project. This requirement helps all communities, but it most assuredly helps property-poor communities that are already at a property tax affordability level or who may be capped and unable to afford associated interest costs of the grant.

Perhaps the most supportive progressive language within school building aid statute exists in RSA 198:15-u and RSA 198:15-v (Alternative School Building Aid Definitions and Grants). Alternative funding availability is based upon “median family income” and “equalized valuation per pupil.” Although fiscal capacity disparity aid was stripped from the 2008 version of adequacy funding, this principle remains as an option in school building aid. I am very supportive of fiscal capacity disparity aid, and did not support its remove from adequacy in 2011.

I am forwarding this communication in an effort to convey my thoughts that school building statute, although it can be improved, does contain wording in support of districts with high free and reduced meal numbers. Perhaps need these needs require greater priority rating in statute and regulation, along with the issue of safety and security. In addition, legislators have previously

proposed that all grants be awarded at a flat 30% rate. Currently, grants are awarded from 30% to 60% of total project cost. Reducing grant amounts to a flat 30% would be a regressive move.

As with all aspects of public education including adequacy/regular education, CTE, charter schools, special education, transportation, etc., appropriations are based upon dollar availability. In regard to school building aid, existing statute defines that the amount appropriated "shall not exceed \$50M." We know that this amount is totally inappropriate and not based upon program, primarily based upon paying down debt that at one time exceeded \$540M. I would like to see appropriation language that states in addition to appropriating the necessary amount to pay for obligated debt (the Tail), that an additional amount "no less than \$50M" be appropriated annually for new and renovation projects. Even this amount will not address possible projections or needs; however, this amount could be narrowed to fund only: safety and security and first directed to communities with low equalized property valuation per pupil. Another option, instead of requiring "donor" districts to return access revenue to the state, for these districts to place all access in a local capital savings fund for new and renovation projects.

I've sent this document as I've noticed that "school building aid" is a sub topic within the adequacy sub group report on Monday (tomorrow).

Thanks,

Rep Rick Ladd, Haverhill