

**Commission to Study School Funding**  
**October 28<sup>th</sup> Public Commenting Session Notes**

Attendees: Dave Luneau, Val Zanchuk, Bill Ardinger, Corinne Cascadden, Jordan Hensley, Bruce Mallory, 20 public attendees listening in.

Dave welcomed attendees to the public comment period just after 4pm and explained the purpose of the public comment period and some of the public engagement work done by the Commission.

Jeff McLynch, Project Director NHSFFP:

Throughout its work the Commission has grappled with a number of questions around school funding. In the weeks ahead, the Commission will need to articulate the principles that form the basis of its recommendations. Jeff presented a statement of principles, which were also sent in writing and which are included on the Commission website's meeting page under the October 28 meeting date: <https://carsey.unh.edu/school-funding/resources/meeting-documents-video>. Jeff urged the Commission to make the most of this generational opportunity.

Esther Kennedy, School Administrator, Gilford; City Council, Portsmouth:

Been a director of student services for 23 years. Educating individuals in public schools and communities about federal funds. 2 years ago \$10 million was left on the table for special education, and schools that were left out could have used that money. There is a trick to writing federal grants for money. As part of this Commission, with all the federal funds available, please make sure that you think about how to ensure that school districts can get money from corporate and federal sources. Would recommend that you change catastrophic aid to special education aid. As a mentor and professor, I find that people need help with finding grant dollars/writing grants. In looking at the per student rate of education, school districts working to keep students in district get penalized. Sending students out of district can be quite costly, since that is not part of the ratio. If student is kept in the community, it will be expensive to keep them there relative to the average child. A district like mine that works hard and has expertise and keeps all kids in our district, we are being penalized. Hoping that when you start thinking about what true costs are, you really think of everything. Best thing for every child is to keep them in their home district and it costs money to do that. Can be up to \$250k/student for out of district placements. Don't want to encourage those type of efforts. Hope you talk to people with boots on the ground and educate school districts on how to get and spend federal funds.

Deaglan McEachern, Portsmouth:

Here not as a city councilor but as a parent, who cares not just about my daughter's education but the education of kids across the state. Education is an equalizer. Commend you for spending the time you have on this Commission. Parents with means can solve this without the ballot box, but rest depend on what the state does. Having read the AIR report, want to call attention to some items. One thing is treating housing as a fungible commodity. Another is using free and reduced lunch as a proxy for poverty. FRPL does not account for dramatic rises in cost of housing, leaves out taxpayers without school aged children who are struggling. Have heard many talk about

property tax as stable/reliable, but it is also unrelenting. Municipalities offer reductions, and the Commission should look at circuit breakers and other mechanisms that do not divide communities.

Don Moyer, Hill:

The 30 minute video that came out was very impactful. In the final 5 minutes John Tobin talks about how the current system inhibits cooperation. We have high cost drivers and issues in our town, and in the list of critical questions 22 sits on both sides, don't want to discourage consolidation but don't want to encourage disbanding. I believe small school consolidation is inevitable and need. Has to come from a statewide mandate. I'd like to understand that more clearly from the Commission.

Mark Decoteau, Town Manager, Waterville Valley:

A consideration the Commission has not described yet is the COVID-19 pandemic. Many changes at every level across the state. The pandemic has also had an impact in student population. In WV, have seen a record 60 students, but the school district has set its budget on an estimate of 20 students. This level of growth occurred over a period of less than 4 months. The district has had little time to react, and have taken some great steps and worked hard on this issue. However, this large increase has had a drastic effect on expenditures, a nearly 20% increase in the estimated school year budget. The district faces the unknown of how many students will stay in 2021 and beyond and how many additional students could come to the school in the future. The fiscal impact on our community is not limited to the school budget. Our full time resident number has increased 20%, and there has been an increased demand for other municipal services. This has put pressure on our budget this year and into the future. We believe the Commission should take into consideration the pandemic-related population changes in our state. This is particularly important for small, tourist-based towns. The population growth related to the pandemic does not come with any appreciable change in property values, so all the additional costs are hitting current taxpayers without any real increase in ability to pay. In the aggregate, this could have a bearing on any education funding formula developed in the near term and the future. Without an investigation of this, could have unintended consequences.

Robert Hemenway:

Where is the state going to get the funding for all this stuff? My proposal is to add a statement in the state constitution that says that if the state ever establishes a sales or income tax, it can only be for one purpose: to reduce property taxes by the amount raised. Provides revenue for the state but also puts it in a lock box. Before this could be added to the constitution, requires a 2/3 majority of voters. If it passes, the state will know it has the backing of the public to raise money to do the things the Commission is working on. Also curious as to what the Commission thinks.

Barrett Christina, NHSBA:

Representing the school board association. Thanked the Commission for its work on this effort. Following up on some of the comments from Jeff McLynch. Supporting the effort of the Commission to find a lasting solution to this issue. The NHSBA has a resolution adopted on this proposing the state funds education first. NHSBA supports a continual review of all costs of an

adequate of education. Urges the Commission to be bold and visionary and not deterred by immediate conditions. One concern is that we seem to be looking at the same input relative to funding, which will create the same inequitable outputs. Urge Commission to consider all possible ideas. NHSBA also supports the state fulfilling its costs and paying for an adequate education. Point Commission members to RSA 193:1, which applies to all districts across the state regardless of any other factors. Hope that the Commission doesn't just look at adequacy but at all costs like retirement, special education, building aid, and numerous unfunded mandates outside of adequacy but with cost impacts.

Megan Tuttle, President of NEA NH:

Union represents over 17k educators and staff. Thanked Commission for their work. While our students and teachers are facing this pandemic, the long term funding of education remains a challenge. Thanked Carsey for including NEANH in its engagement work. As you move into the final phase of your work, wanted to support the funding principles outlined by Jeff McLynch. NEANH has operated under the principle that every student, regardless of locality, deserves the opportunity to achieve their potential via public education. Urge boldness from the Commission. This school funding crisis will continue unless we act. Pandemic has revealed and exacerbated existing challenges. Response to COVID also related to ability to pay. Need to account for the cost of a modern education, of all types. Believe teaching and caring for the whole child means that a child enters school healthy and has healthiness modeled and provided. Need to prepare students for their futures. Providing an adequate public education does not mean losing necessary programs or your home. State's responsibility to fund an adequate education. Asking you to be comprehensive and bold. Roadmap will need to stand the test of time, and if change is not meaningful fear it will not pass. Please continue to look to NEA NH as a resource.

Paul Deschaine, Newington:

I submitted thoughts via email, direct Commission members to review that. Want to emphasize the impacts of COVID, not only health related but also the social and economic dislocations. Some pre-COVID assumptions may not work well at present or into the future. I know the Commission is working on their "rotary club speech", and a number of the former coalition communities would like to have that dialogue when it happens. (Paul's full written comments can be found at the bottom of this page).

Bridey Bellemare, Executive Director for NH Association of School Principals:

Could echo some comments made by colleagues. Not here to propose solutions on the "how", but on behalf of our practitioners to offer testimony. Inadequate fiscal planning impacts teaching and schools. Increased rate of educator turnover in schools without adequate funding. Kids are left behind when schools are dealing with challenges due to funding issues. Bridey discussed impacts and perspectives of those who are directly working with schools and students.

Scott Marion, Executive Director of the National Center for the Improvement of Educational Assessment:

I work in many states, and am embarrassed working in NH with the most inequitable school funding formula in the country. Would like to echo other comments about being bold. Already people sniping at you, can't do this or that. This is a chance to lay out a vision. As I was going through the report, would urge in the final report to ask the researchers to present the research evidence that would support one model over another. Has a particular model shown more efficacy at closing achievement gaps? For instance, Wyoming has the most equitable system, and students in poverty perform well. Urge that you press the AIR authors to give information about other models with different levels of efficacy.

Crystal Paradis, City Councilor, Somersworth:

Happy to be a part of discussion yesterday. Thanked Commission. Our residents in Somersworth pay much higher than average property tax, and 60% of budget goes to schools. Really struggle across all departments in retaining good employees. We are the smallest city in NH, and have a low number of residents. In order to keep up with other municipalities we have to work harder to pay competitive salaries, which impacts residents on fixed incomes. Please don't discount any revenue solutions based only on chances of passing. Heard that you are basing on current revenues, but underscore that final recommendations should explicitly acknowledge that to truly get where we want to be in terms of equitable access to education new revenue sources should be explored. If limiting scope, should acknowledge that and allow that to drive future conversations.

Jerry Frew, NH School Administrators Association:

Thanked Commission. Cannot add a whole lot of wisdom to what has already been stated. We fully agree that a child's equitable access to education should not be based on their zip code, and look forward to a funding solution and definition of adequacy that will be adequate for the foreseeable future. Look forward to partnering with the Commission going forward.

A full recording of this public comment session can be found at: <https://carsey.unh.edu/school-funding/resources/meeting-documents-video>

Full Paul Deschaine emailed comments:

Carrie/Bruce,

Since I was surprised by the abrupt conclusion of today's Municipal and School Leaders Focus Group, and to not prolong the meeting any longer than necessary, I offer the following views that I did not have time to express on behalf of the Town of Newington.

1. I hope I was successful in slipping this comment under the Chat feature of the meeting before it closed. If not, I offer it again here and perhaps in more detail. An observation I made when Bruce was summarizing the Commission's work to date was the statement described as "Givens" in the presentation. That statement was "...no rationale for infusing new or additional resources..." into the overall funding of schools. I recognize

that at \$3 billion overall spending appears to be adequate given the average student outcomes. However, that statement implies the presumption that the sources or the mix of sources must and/or should stay the same. As stated earlier in the presentation, property taxes as a source of funding is at or nearly 75% of the total funding. It's been that way for decades even after the state reclassified/renamed a portion of the local school property tax to become the state-wide property tax. It's still a property tax. Property taxes are admittedly regressive and locally centric since property must be located somewhere and its value is based on location. It was then later stated in the presentation that after more than 20 years of addressing these problems of school funding, disparities still exist. Maybe they exist because there is a systemic problem with funding education using property taxes no matter the source.

2. To illustrate more clearly the problems of relying so heavily on property taxes, let's remove the complexity of school funding from the discussion and replace it with a more universal government service/expense. Highways. Let's presume this legislature is met with a decline in state gasoline tax revenues (the toll tax). Not so far fetch given the historic decline experienced during the last 10 or more years due to more fuel-efficient cars and electric vehicles. Now with the pandemic, there are fewer commuters, and less traffic overall. Even less gasoline is sold with a resulting loss of gas tax revenues. If faced with declining revenues, no decline in the need for maintaining highways, and the commitment/given that there cannot be any new revenue source to be found, the miracle answer is to institute a state-wide property tax for roads and bridges. Not that much a leap given the history of school funding. Municipalities have roads and bridges. They have used property taxes to support their construction and maintenance. You usually can't use a local road without interconnecting with a state road. There is your rationale for a state-wide highway property tax. Imagine, if property "rich" towns in NH had to assist property "poor" towns with the construction and maintenance of another town's highway system. The same characteristics that describe under performing schools could be used to measure the poor highway outcomes in these same communities. I am not saying there is not a need in these communities, but meeting that need by use of the property tax system has inherent inequities and may sustain the disparities over time be they highways or schools.
3. The pandemic may invalidate several of the assumptions used in AIR's model. We have all lived in a changing world, but that rate of change has increased exponentially due to the pandemic. In talking with the Town of Waterville Valley for instance, their school enrollments this fall have jumped from 20 students to 60. This has been attributed to the recent surge in purchases of existing homes that were previously used seasonally for year-round permanent residences. This was caused by new owners fleeing urban areas in which they lived to avoid Covid exposures. It has also contributed to a recent rise in market values in that Town in a very short timeframe. This further increases the hardship experienced by longer-term residents who may have higher valued homes but not the income to support the resulting taxes. By adding an increase in a state-wide property tax to deal with other communities' educational disparities, you will further widen the

income disparities of many other residents in “property rich” towns. I can already see this effect in other communities in NH closer to the MA border. The predictive AIR model may become unintentionally obsolete without anyone knowing it. Simply put, Covid may make this effort untimely and unpredictable.

4. Specific to Newington, there have been recent global changes in its commercial values. With the recent sale of the electrical generation assets that were formerly owned by PSNH/Eversource, their sale values were significantly less than their previous assessed value. The reasons for the difference are multifaceted, so I will not add to the length of this comment by describing it in detail. The Town is actively engaged in an abatement process with the new owners that could have significant impacts on the total assessed value of the Town. Then there is the collapse of the retail industry before Covid due to online sales. Covid has only magnified the distress experienced by the Fox Run Mall and other retail outlets in Newington. Vacancies have soared and the resulting decrease in market value of brick and mortar storefronts is also concerning. The perception that Newington is a property rich town may not be accurate over the long-term.
5. Newington has a unique burden that other “property rich” towns do not have. Since most of our value is commercial property based, there are trade-offs of hosting such uses. The daily congestion and services we must provide are disproportional to the size of our community and the number of its residents. Our residents are exposed to frequent air quality issues connected to some of the industries within our commercial tax base. Noise and other nuisances are daily occurrences, which conflict with peaceful enjoyment of our residential properties. Understanding the trade-off of living in such a community should not include subsidizing other communities if the donor town concept is the outcome of the Commission’s work.

I lastly suggest once the Commission has completed its work and the presentation commonly referred to as the “Rotary Club Presentation” is prepared, that you specifically approach the former “Coalition Communities” and make this presentation to them. This is to further the dialogue regarding the future impact of the Commission’s findings and to attempt to find common ground with those communities, their leaders, and future legislators who are being elected next week. I offer to assist in making that effort happen.

I thank you for being given the opportunity to provide you these thoughts.

Paul