

Senior Residents Focus Groups

Summary for the Commission to Study School Funding



Facilitated and compiled by New Hampshire Listens and Carsey School of Public Policy staff for the Commission to Study School Funding to promote further discussion and understanding of community voices.

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This report summarizes findings from two online small group discussions focused on Senior Residents' perspectives. The conversations occurred on October 6, 2020. The purpose of this summary is to provide a sense of values, beliefs, and concerns about school funding in New Hampshire to help the Commission to Study School Funding gain further insight into local realities and perspectives.

Participants Roles in their Communities and at Home

Among the eleven participants were retired educators, home owners, elected officials that had retired, current serve, or are current candidates. Participants were community volunteers and showed concern for their small towns that can be considered "property poor" and held long-term experience and knowledge about school funding in New Hampshire. Overall participants included:

- 3 residents of Hill promoting awareness of the NH School Funding Fairness Project
- 2 Freedom residents with experience serving on school boards in other states
- 1 Stoddard resident
- 1 Retired educator from Holderness
- 1 State Representative for Holderness, Hebron, Plymouth
- 1 Plymouth resident, a former councilor, business owner, and also owns property in Holderness
- 1 State Representative for Rye and Newcastle
- 1 Plaistow candidate for state representative with a background in early childhood education
- 4 Registrants did not attend the sessions

Summary Themes and Example Points from the Discussion

The following section outlines points brought forth during the discussion among the seven participants. Additional details and narrative are in the appendix for further review.

Inequities Amongst Taxpayers and Communities are a Major Concern

- We need to clarify the difference between equality and equity. Come up with an equitable and progressive way to determine resident and home owner taxation.
- The need to pay based on property tax is unfair and it drives a lot of inequalities in communities.
- The basis for which we raise our money for education is wrong and needs to be changed.
- We need to look at the income of individuals and businesses that own property.
- The state's adequacy base aide is too low. Not everyone in the wealthy areas (like Rye or Newcastle) are wealthy. There is tension of how to fund students equitably while helping older residents to stay in their home.
- The problem with relying on property taxes is that they are done by town, and people's ability has nothing to do with wealth – this and property value changes throughout people's lives.
- The issue of paying property taxes is not just an issue for people who are retired. There is a big issue in terms of affording a first-time home and to afford rent. The state minimum wage is \$7. Housing costs are going up. This is a struggle for all. We need scenarios that show people's lives – because towns don't pay the taxes, it is the people.

- Need to resolve the inequities that exist in low and middle income people with limited income-- Not sure if the Commission can look at this.
- Looking at DRA property taxes across the state, there are neighboring towns with notable differences. It is good to look at what others are paying and compare to get some perspective.

Small Towns and their Local Schools Face Higher Costs and Unique Challenges

- Public schools are important for local towns that want to be good places to live. Parents like having children nearby in lower grades as opposed to upper grades.
- Smaller schools preserve town identities and traditions. The fewer students may drive some consolidation. This may be more of a local issue than a state issue for distribution.
- Residents are expected to pay an undue portion of taxes. For example, in Plaistow, within the residential property taxes have increased by 40%, and retail on 125 went up 2.5%.
- Residents in Hill realize to provide an adequate education, they must make up the difference. For a small town, not on a lake, not a lot of tourism, residents pay a higher tax.
- Special education costs are a concern for small communities. They need help.
- Not wanting to consolidate means each town will have to pay for administrators, building maintenance, transportation, special education etc. That makes it expensive for small towns.

Residents are Concerned about Student Needs and the State's Future, Its Workforce

- School choice is important as is parent involvement.
- Many people in Freedom both parents are working, parents and community members volunteer at the school. Community involvement is important. The guidance counselor is essential.
- The formula needs to be fine-tuned to make it functional for the number of students with needs.
- High property tax towns may pay teachers less, and therefore staff do not settle in the communities. People move on because they need to make more money or they live elsewhere.
- There is not enough auto mechanics, plumbers. There are not enough people to take over businesses and work in these jobs. Community college credits in high school makes it easier.
- College and SATs are not for everyone. The CTE part of the funding is important. This could also cause the costs to go up due to the costs of building CTE centers – it's the right thing to do.
- Would like to see a tool on the web where people can send in their incomes and tax rates and see what's in it for them. The wealthiest will get the biggest hit, but they are not the majority. The ones who can pay have reaped a lot from society and the next generation deserves the same.
- Don't just look at scores or budgets, and costs per pupil. Look at the long-range challenges of under-educating our kids. The benefit overrides the cost in the long run.

Change Needs to Occur instead of History Repeating Itself

- 35 years-ago when I began to work at the NH DOE, my first assignment was to create a funding distribution based on the Augenblick formula. The state was supposed to keep 8%. This has gone on for years. We are never going to get anywhere unless we address the revenue side.
- Nothing happens in NH without a lawsuit unfortunately. COVID has opened up a lot of weaknesses, and we are learning. Maybe we can do something without another lawsuit.
- Start with what proportionality does not allow us to do and figure out what constitutionality will do it – consideration of a graduated income tax or another tax.
- Unless the court speaks we are going to have a challenge to change the formula.
- It is not a question about whether your community is a winner or loser but rather will our students be winners or losers – this will be the rallying cry.
- We need education for the state as a whole, for the intangible benefits we reap for a good solid education for our children. There should be a push on that front so people are willing to pay more in taxes for the good of the state.

Appendix

NOTE: The numbers and assertions in these statements may be arguable. They are notes taken during the focus groups and comments recorded in writing to help the Commission inform their decisions as well as hear and understand local perspectives. Overall, these notes and findings serve as a means to help enhance discussion during the process of studying school funding.

Questions Framing the Discussion

The meeting was held online via Zoom. The participants received the focus group questions prior to the meeting and the questions were placed in the chat log. Not all questions were specifically posed during the discussion, but each was addressed during the focus as conversation unfolded.

- Introduce yourself. Where you are calling in from, and what role(s) you represent (ex. taxpayer, parent, property owner, grandparent, home owner, business owner etc.)
- Say a little bit about your familiarity with how public school funding works in NH and what brought you hear today.
- How does the current system for funding public schools work for you? Your family? Community?
- In your opinion, what is currently working in terms of the way we fund public schools in NH?
- In your opinion, what are the problems with the current system?
- What are the most important components of an “adequate” education that should be considered as part of the base formula for calculating the cost of adequacy?
- If education is a right for all the school-aged young people in NH regardless of where they live, how would you solve the dilemma of adequate public school funding for every child?
- What do you think are the necessary elements of a public school funding policy that is bi-partisan and able to solicit wide-spread support so school-aged young people in NH can have an equitable opportunity for an adequate public school education?
- How would you describe a student who has had a positive outcome in NH public schools? What components of public schooling supports students’ positive outcomes later in life?
- What questions do you have for the Commission?

Focus Group Notes

What’s top of mind on this school funding issue? If you were to describe the primary challenge in the ways we fund our schools? What is the real crux of the problem that you want the Commission to attend to?

- The problem with relying on property taxes is that they are done by town, and people’s ability has nothing to do with whether they are wealthy or not – this changes throughout people’s lives – as does the value of your property. Being over 65, we know that concentrations of populations of shifted south because there are not businesses anymore.
- In Plaistow, within in the last 18th months or a year residential property taxes went up by 40%, and retail on 125 went up 2.5%. Residents are expected to pay an undue portion of taxes.
- Hill – we are realizing we are mandated to provide an adequate education, but to make up the difference that is required. We are a small down, not on a lake, not a lot of tourism. We are paying a higher tax. We need to clarify the difference between equality and equity – taxes need to be equitable.
- Plymouth – cannot get a lot out of a stone – we have a lot stones – we cannot give equitable of what we are asking for them. Need to look at the income of individuals and businesses that own property. We need to change how we raise funds. There is a negative spiral when property taxes go way up – which makes it difficult for people to get out of high taxes because no one wants to develop property value. The towns that have low property taxes, it creates even lower taxes and people move into town. The problem in Plymouth, there is a K-12 education, but the state is low on providing higher education.

There is no property taxes collected from those institutions and there is plenty of need for services in those college towns with public universities and colleges. Public schools are important for local towns that want to be good places to live and that's what we should be working towards.

- Holderness – higher property taxes hire staff at a lower salary then they move on to a community where they can make up to \$10,000 more. This means they don't have staff who want to settle in and stay for a long period of time. People move on because they need to make more money.
- Freedom – in our town, we have about 100 students in our school. We have an aging community. What do you do when you have few students and your budget has to cover them? My thought is to consolidate schools to help with local costs. There are teachers who have higher salaries because they have been in the system for a long time. How do you resolve a problem in a small community like Freedom? (1300 residents). How do you equate taxes with the number of students you have? It would be good to consolidate school so students can get a better education. You don't want to eliminate teachers, but maybe many are already to retire.
- Freedom – it's almost \$30,000 per student. It would cost the same to send students to Fryberg Academy for the same amount. This relationship has existed for a number of years. Are they getting the best education at Freedom elementary, Kennett middle or high for the amount paid per student? Who knows? I am not sure. Here to learn. The amount spent on each student is phenomenal and so you would think that every student would turn out with a great education, some classes are smaller than 10 kids. There is the cost of the busses. Teachers are retiring and the district has not replaced them, they have combined classes. Transportation for busses to the middle and high school, have to pay for the maintenance of buildings. The costs of sending students to another middle or high school.
- Rye and Newcastle – we are looking at this statewide and then also looking at the local level. Smaller schools in local communities is important. The fewer students may drive some consolidation. This is more of a local issue than a state issue for distribution. The state's adequacy base aide is too low. Not everyone in the wealthy areas are wealthy, and people who are concerned about affording their home. Claremont people are also struggling. There is tension of how to fund students equitably while also allowing older residents to stay in their home.
- The issue of paying property taxes is not just an issue for people who are retired. There is a big issue in terms of affording a first-time home and to afford rent. There are issues with how we fund schools. Housing costs are going up, and this is a struggle for all. My property tax, which is low compared to others, is up from 5 to 10%. We need scenarios that show people's lives – because towns don't pay the taxes, it is the people.
- We often talk about the elderly who can't afford taxes. It is not just elderly; it is also young couples – especially in a state where the minimum wage is \$7. We have a problem is that both age groups are struggling in our state to make ends meet.
- I like the idea of consolidation, but unfortunately the only way I see it happening is if the state increased the per pupil amount considerably. There are plenty of communities around here that should be seriously considering consolidating their schools.
- People who relocate, they relocate to an area where they can afford taxes, property, the rent. The housing is poorer. Kids go to schools in higher tax towns, there is less educational opportunities, they are getting whacked not only because of how much they pay, but also because of the education. They are also paying for transportation for outside of their community. What you gain in house savings is the cost of transportation. It's a no win situation for people with lower incomes.
- There are communities in the country that there are programs where if you do not have children in the system and you are elderly you receive a tax relief.
- Lake front property taxes are higher than those who live in town – general sense that there are inequities.
- Small towns have unique challenge

- The property tax that each resident of Hill pays. Low assessment town with few business and high 65 plus residents. There was contention in Hill because of a discussion about consolidation with Bristol, not wanting to get rid of the small school. Talked to someone from Danbury who also want to keep small schools. It's the school tax assessment on those who can least afford it is difficult for residents of Hill.
- Stoddard has a small school K-5. There are not many complaints other than the majority of the town budget is schools, and people want to see that reduced. Not sure how that will be reduced. Around 50-80 students. Stoddard has rooms it's not using. How can we save money? How do we reduce taxes?
- Participants raised the issues of small communities and small schools – the concerns about consolidation and the concerns about maintaining the small school, towns identities and tradition. We know running a small school is more costly than running a larger school – because you have to pay all the costs. A person who comes into the system with special needs can cause rise in costs.
- Hill has a 2.1 million-dollar budget many students are tuitioned-out to the Newfound district. The unintended consequences may come from consolidation. Believes that small school consolidation is inevitable. It will be a big a fight in the state. Don't touch my little school. It is the right thing to do for an economy of scale through small school consolidation – less impact at the taxpayer level. It is not in the scope of the Commission. There should be a 3-5 year time frame – first thinking about fairness and equitable funding first.
- Stoddard district has Marlowe and Gilsum – why don't we move our children to Marlowe. Things are too different between the SAUs to combine. Parents like to have children close by, but then they are bussed to Keene in the later grades. What is it about the early grades and small schools and regional schools later? It does not fit an economies of scale.
- There is the law of unintended consequences – consolidation will be an unintended consequence. Stoddard and Hill can't afford their schools, but you can't do anything about. The state mandates hits small schools hard. Small schools end up spending twice for mandates – example of an elementary costs and then costs of Newfound (the middle and high school)
- Come up with an equitable and progressive way to determine resident and home owner taxation
- Spending time with AIR report – some level of state distribution and local distribution – concerns about that a million dollar home pays less
- Is the program doing everything it can to manage expectations – meaning the Fair Funding Project
- People thinking residents will save tax money – residents need to understand how it will work
- Adequacy components will drive costs so high that the benefits of the fairness will be washed out – concerned about this
- No one knows where this ends up yet
- Stoddard – we are only talking about kids going to public schools. I have never understood why a student who is not doing well in their local school why they cannot go to another school. School choice is important. Incomes are very low, both parents need to work and often parents are not involved in their education. Why are we not requiring students and parents to take EL classes to become proficient in English when students arrive from other countries and do not speak English. How these students supposed to do well? We should allow parents to choose what is the best situation for their children to learn?
- Hill – support an outcomes-based approach. Special needs, FRL, EL students are a higher cost. The formula needs to be fine-tuned to make it functional for the number of students with needs. What bad behaviors be driven by the model? What will the monitoring and determination be?
- Hill – increasing the availability of Career and Technical schools – this is a huge deal. College is not for everyone. SATs are not for everyone.
- Stoddard – students with special needs is a huge cost for small schools. When one or two students come in with special needs – why can't the medical costs be billed elsewhere rather than for the school. CTE – not enough auto mechanics, not enough plumbers, there are not enough people to take

over businesses and work in these jobs. We need to push these jobs because there are fewer people entering these positions. Community college credits in high school makes it much easier. It is important for educators and legislators that CTE is important too – college is not for everyone.

What do we mean by an adequate education? What should we be paying for? What is critical? What is base?

- Individuals do not determine what adequacy is, the state does. There are a lot of rules about what needs to be taught and how it is taught. This is not a problem. The state can reprimand the towns in some fashion if they are not fulfilling their obligations. They should be getting information from the state DOE that informs them. We need the state paying a lot more money to educate a students.
- This has to do with mandates from the state – unfunded mandates
- That state has guidelines for every grade. They are tested at the end of the year. The schools are rated.
- Freedom is basically a senior citizens community, lack of housing and few businesses. It is particularly challenging for small communities. Adequate education – that may be a parents responsibility to decide. If they are satisfied with it, then what can the community say.

Giving the example of mental and behavioral health challenges. Should schools be paying for staff and services in addition to the academics, what about athletics? Who pays for that? Another example is transportation.

- Plymouth business owner said that the people with or without money should be interested in a positive outcome. We should do whatever we can to make sure students are successful. Seniors rely on young people to do the work and pay their taxes.
- Many people in Freedom both parents are working, parents and community members volunteer at the school. Community involvement is important. The guidance counselor in Freedom follows students from elementary to middle school. This is an important position. This is an essential position.
- Do people still think that schools should take the responsibility of training a child for life?
- There are constituents in the state who are keen on getting rid of all public education in the state.

What do you want the legislature to do to solve the problems mentioned – the public school funding? What would shape a bi-partisan solution to solve these inequitable challenges.

- If the state loses the ConVal lawsuit, then the state will have to rethink how schools are funding. Unless the court speaks we are going to have a challenge to change the formula.
- Augenblick formulas, and the various attempts to get legislature taking care of, the legislation by spreadsheet – everyone will calculate their communities. Will they be winners or losers. It is not a question about whether your community is a winner or loser but rather will our students be winners or losers – this will be the rallying cry. Get rid of the of the winners and loser idea. People don't understand how they will personally win or lose.
- Would like to see a tool on the web where people can send in their incomes and tax rates and see what's in it for them. The wealthiest will get the biggest hit but they are not the majority, the ones who can pay have reaped a lot from society and the next generation deserves the same.
- We can't go into the conversation with a negative attitude but rather a positive one that is about treating people fairly and students fairly.
- I would hope they don't just look at the scores or budgets, and costs per pupil but the long-range challenges of under-educating our kids. The spiral down affect. The cost is offset by the benefit of educating our children. The benefit overrides the cost in the long run. It is difficult to get people to think about. If we don't invest in our kids in elementary school, we will see more kids who are unsuccessful.
- If there's a solution that runs to a graduated tax of any kind then there needs to be a constitutional amendment. It may seem quixotic, but sometimes you have dull your spear on a few windmills before

you pierce it. Start with what proportionality does not allow us to do it in this state, and figure out what constitutionality will do it – consideration of a graduate income tax or another tax.

- People who have never looked at the DRA property taxes across the state. There are neighboring towns with \$9 taxes. People complain. It is good to look at what others are paying for taxes and compare to your own community to get some perspectives.
- I hope some of the inequities that exist in low and middle income people with limited income will be resolved. Not sure if the Commission can look at this. Is there a way to even out teacher salaries? How can we look at the waste in systems.

Any reflections back about what you have heard.

- 35 years ago when I began to work at the NH DOE, my first assignment was to create a funding distribution based on the Augenblick formula. The state was supposed to keep 8%. We never got to that 8%. This has gone on and on and on for years. This is the same stuff over and over. We are never going to get anywhere unless we address the revenue side. We are more enlightened in the past, but the only way we are going to get there if the court decides. The decisions are based on the legislature and whos in the governor.
- Nothing happens in NH without a lawsuit unfortunately. COVID has opened up a lot of weaknesses and we are learning. It's the same thing over and over – maybe we can do something without another lawsuit.
- Agree that we need education for the state as a whole, for the intangible benefits we reap for a good solid education for our children. There should be a push on that front so that they are willing to pay more in taxes for the good of the state.

What else is on your mind as the Commission works through its consideration?

- Stoddard – we have to look at how education is provided, and we need to look for cost-saving methods. There are more paraprofessionals and administrators than there are teachers. Not wanting to consolidating means each town will have to pay for administrators or part of the salary – that makes it expensive for small towns. How can we reduce those costs?
- Hill – Hill school board and principal are hammered by costs. Joining the budget committee, need to understand how costs and spending works. 20% of the line items are 80% of the funding. Thin teacher count but it is a 250,000 budget, buildings are expensive. It is not obvious where we can save money.
- Hill – need to emphasize the importance of CTEs. We need to promote these jobs, skills, and ability. The CTE part of the funding is important (x2). Push it harder. This could also cause the costs to go up due to the costs of building CTE centers – it's the right thing to do.
- Are the expectations being properly managed? The right things may drive costs rather than cut costs.
- Need to change the attitudes of parents and adults – from you should go to college versus learning trades that are needed in communities and states.