

## New Hampshire Citizens' Voice Project (NHCVP) Report:

### Targeted Aid Plans Don't Fund the Gap, Who Will?

There are a number of proposed targeted aid plans that claim to provide funding to “needy” or “property poor” communities. In reality, these plans do not provide much additional revenue to these communities and in some cases they provide less revenue than current law. We examined the effect of the two targeted aid plans that have released specific information on the twelve poorest communities in New Hampshire. We chose the communities based on their equalized assessed property valuation per pupil. The results in Table 1 show the proposed targeted aid plans do not make much difference to these communities on a per pupil basis:

Community	05/06 Per Pupil Grant Only Under Current Law	05/06 Per Pupil Grant Lynch Plan	05/06 Per Pupil Grant King Plan
Berlin	\$5,616	\$5,999	\$5,517
Charlestown	\$4,936	\$5,347	\$4,808
Greenville	\$5,287	\$5,275	\$5,008
Hinsdale	\$5,131	\$5,241	\$4,790
Lisbon	\$4,999	\$5,389	\$5,416
Troy	\$4,909	\$5,087	\$4,709
Northumberland	\$4,922	\$5,138	\$4,969
Pittsfield	\$4,826	\$5,111	\$4,783
Allenstown	\$4,656	\$4,753	\$4,251
Winchester	\$4,901	\$4,914	\$5,012
Newport	\$4,971	\$4,907	\$4,810
Claremont	\$4,622	\$4,832	\$4,553

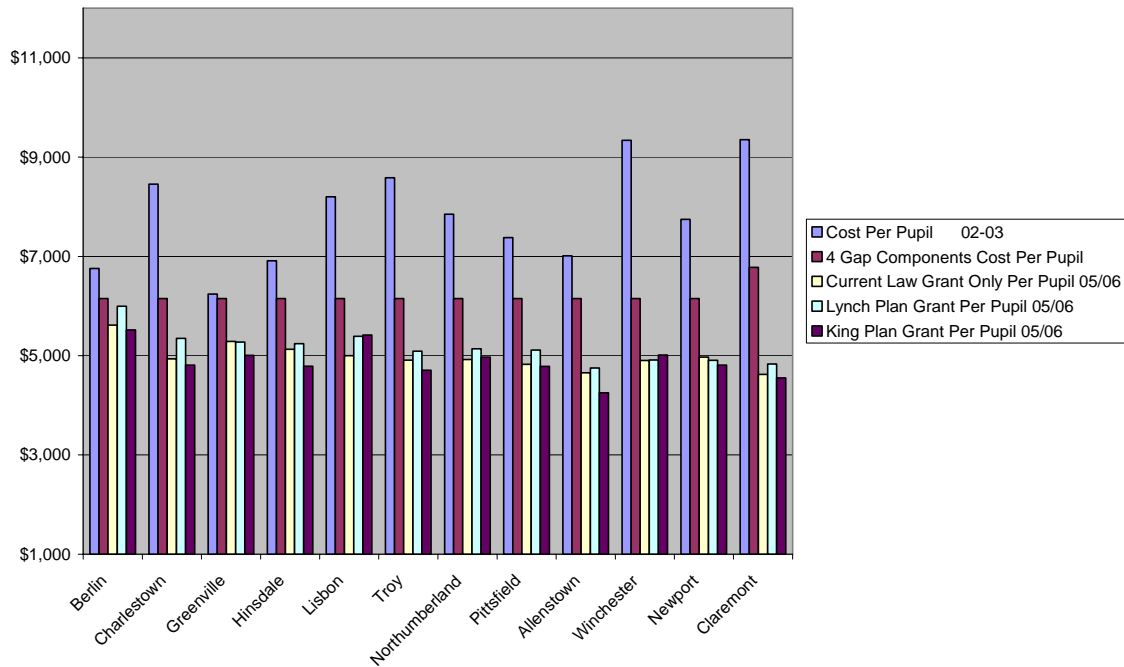
These per pupil funding amounts do not even cover the bare educational necessities in property poor communities. Our Fund the Gap Report shows that on average it costs \$6,153 per pupil just to pay for some teachers, cover some building expenses, provide transportation to students and provide system leadership services (SAU and school board costs). The proposed targeted aid plans do not provide \$6,153 per pupil to any of the property poor community we analyzed. The plans do not provide \$6,153 per pupil to any community in the state except for Stratford (the King plan provides \$7,208 to Stratford, but no other community gets an amount close to that figure). The result is a continued Gap in property poor communities between what it costs to provide the most basic educational services and what the State provides in funding. This Gap must be paid by local property tax payers with local property taxes.

The proposed targeted aid plans do not decrease the Gap by much in property poor communities as compared to current law and they increase the Gap in some property poor communities. The proposed targeted aid plans increase the Gap statewide. The Lynch targeted aid plan creates a Gap of \$800 million and the King plan creates a Gap of \$794

million. Current law has a Gap of \$747 million. These Gaps are paid by local tax payers with local property taxes.

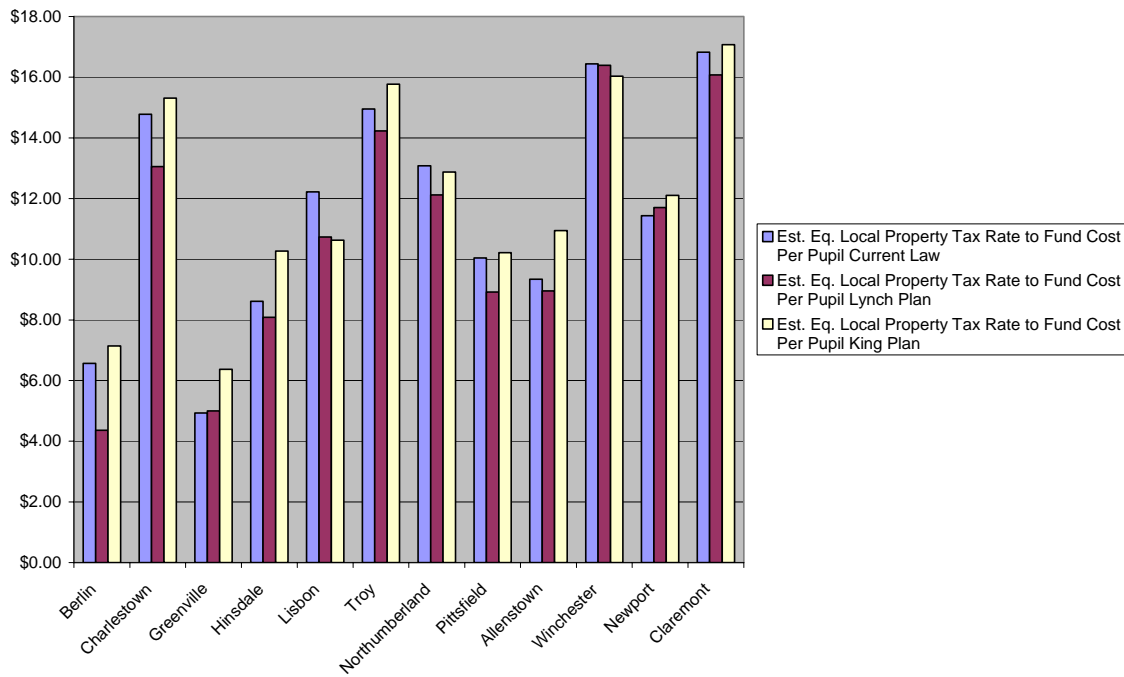
The Fund the Gap educational components exclude many important items like books, computers, professional development, etc. and they are not enough by themselves to constitute an adequate education. Because of all the important items that are excluded, the Fund the Gap figure of \$6,153 per pupil also is not near the total costs communities spend to educate our children. One way to determine some of the additional educational expenditures in communities is through the “cost per pupil” figure that the New Hampshire Department of Education calculates. This number also excludes a number of educational costs like transportation and some building expenses and the most current cost per pupil data is almost three years old. Even with these deficiencies, the cost per pupil numbers reveal the much larger unfunded mandate that the State continues to impose on local communities under current law and under the proposed targeted aid plans. The following chart compares the cost per pupil and the amounts of state funding these twelve property poor communities receive under the targeted aid plans.

**Chart of Per Pupil Costs Compared to Per Pupil Grants Under Funding Plans**



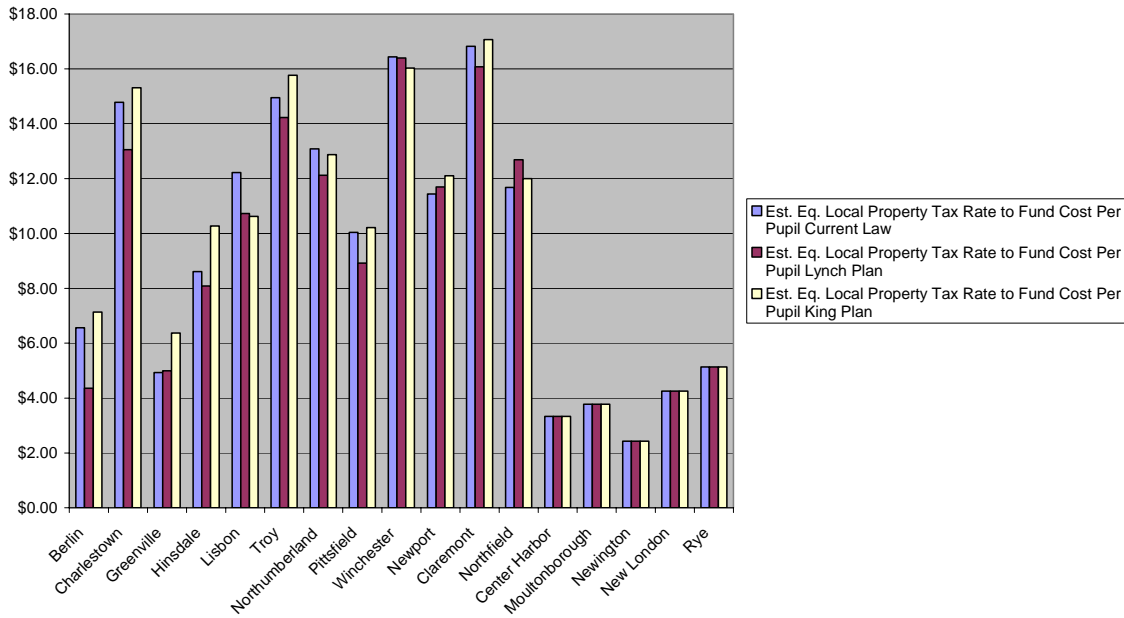
Local communities must pay the difference between their cost per pupil and the amount they receive from these targeted aid proposals with local property taxes. The following chart shows that the target aid proposals do not make much of a difference in the tax burden on local tax payers in the poorest communities in the state.

**Chart Showing No Significant Change in Local Tax Rates under Targeted Aid Plans**



Comparing the estimated tax rates in property poor communities with the estimated tax rates of “property rich” communities to fund their cost per pupil expenses shows that the property rich communities are still able to spend the same or more per pupil at lower tax rates, even though they don’t receive any state funding under targeted aid proposals.

**Comparison of Tax Rates in Twelve Property Poorest Communities vs Property Rich Under Funding Plans**



The true impact of targeted aid plans on property poor communities is even greater than the cost per pupil figures indicate above since a school district's total budget is more than these figures. Table 2 compares the total proposed school district budgets for 05/06 to the total amounts communities will receive under the targeted aid plans. The table shows the high local tax rates necessary to make up for what the State does not fund.

Table 2							
Community	Total Proposed Budget 05/06	Lynch Plan Total Grant 05/06	King Plan Total Grant 05/06	Current Law Total Grant 05/06	Estimated Local Tax Rate Under Lynch Plan	Estimated Local Tax Rate Under King Plan	Estimated Local Tax Rate Under Current Law
Allenstown	\$8,179,847	\$3,718,480	\$3,325,656	\$3,642,390	\$17.06	\$18.56	\$17.35
Claremont	\$24,000,000	\$9,216,378	\$8,683,312	\$8,815,982	\$26.19	\$27.14	\$26.90

Additional information about the impact of targeted aid proposals on property poor communities is available by [clicking here](#). Information about the impact of targeted aid on every community in New Hampshire is available by [clicking here](#).

### Conclusions

- 1) The proposed targeted aid plans do not make much of a difference in funding education in property poor communities.
- 2) The proposed targeted aid plans do not Fund the Gap in property poor communities which means they do not fund the bare minimum educational necessities mandated by the State.
- 3) The targeted aid plans continue to shift state educational costs onto local tax payers in property poor communities.
- 4) Under the targeted aid plans, local tax payers in property poor communities will be forced to continue to Fund the Gap with local property taxes.
- 5) The targeted aid plans continue the wide disparities in tax rates between communities to fund educational services.

For more information contact:

Scott F. Johnson, Esq.  
 Project Director  
 New Hampshire Citizens' Voice Project  
[sjohnson@nhcvc.org](mailto:sjohnson@nhcvc.org)  
 888-474-3137  
[www.nhcvc.org](http://www.nhcvc.org)