



EDUCATION FUNDING IN NEW HAMPSHIRE: A BRIEF OVERVIEW

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THE CROTCHED MOUNTAIN FOUNDATION

APRIL 9, 2021

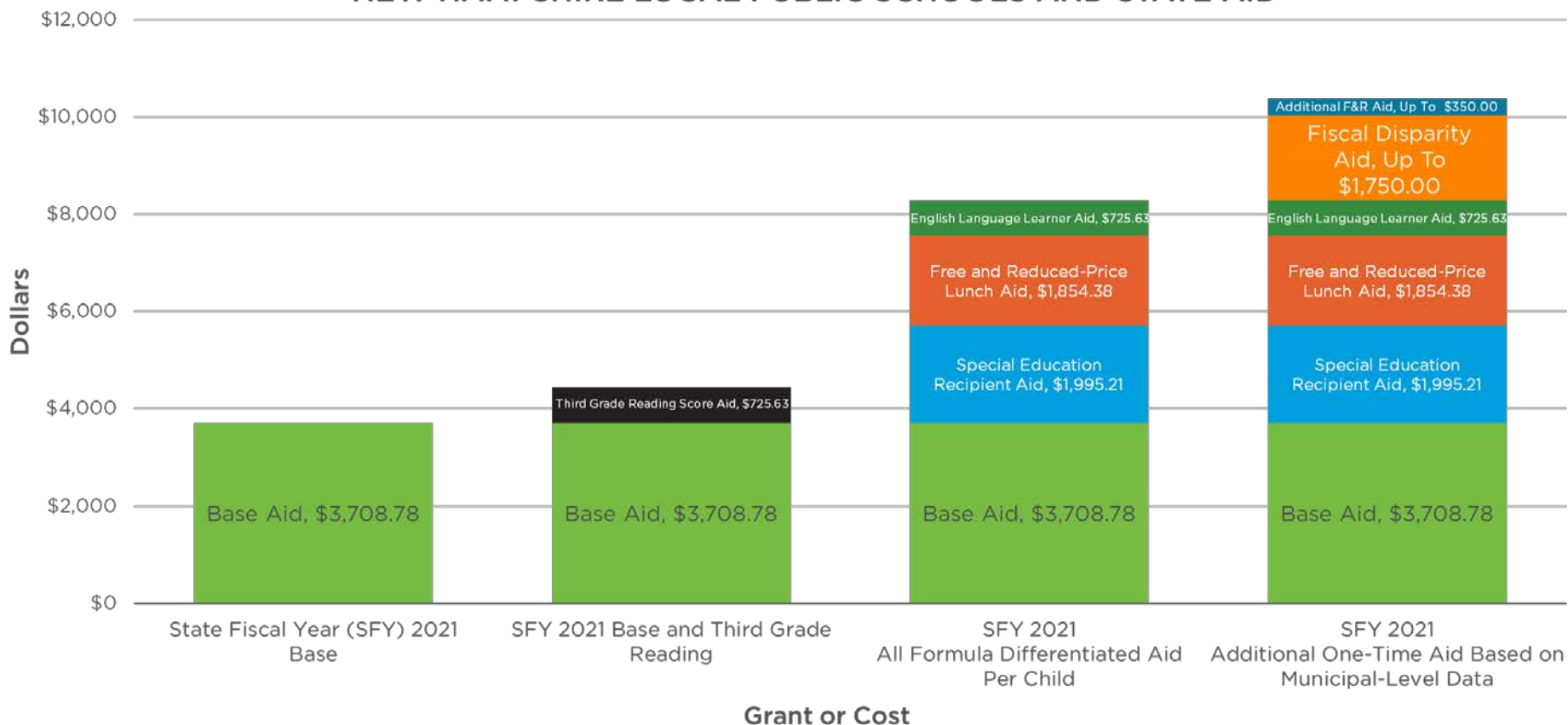
STATE FUNDING FOR LOCAL PUBLIC EDUCATION

- Primary method: grants to cover the “cost of providing the opportunity for an adequate education” (RSA 198:40-a)
- Includes additions for students based on certain characteristics, such as eligibility for means-tested assistance for school meals, receipt of special education services, English language learners, or separately third grade reading test scores; also stabilization aid
- Separate appropriation for special education aid, formerly “catastrophic aid,” for students receiving special education for whom costs are more than 350 percent of State average expenditure per pupil; State responsible for at least 80 percent of cost above that amount, pro-rated (RSA 186-C:18)
- Also aid for school buildings, public charter schools, tuition and transportation for regional career and technical education
- Ongoing legal activity regarding local public education funding

Sources: New Hampshire Revised Statutes Annotated, as noted and including RSA 198, RSA 186-C, RSA 188-E, RSA 194-B; The Supreme Court of New Hampshire, *Contoocook Valley School District v. The State of New Hampshire*, March 23, 2021.

ADEQUATE EDUCATION GRANTS PRIMARY FORM OF STATE EDUCATION FUNDING

ADEQUATE EDUCATION AID AND SCHOOL COSTS PER STUDENT
NEW HAMPSHIRE LOCAL PUBLIC SCHOOLS AND STATE AID

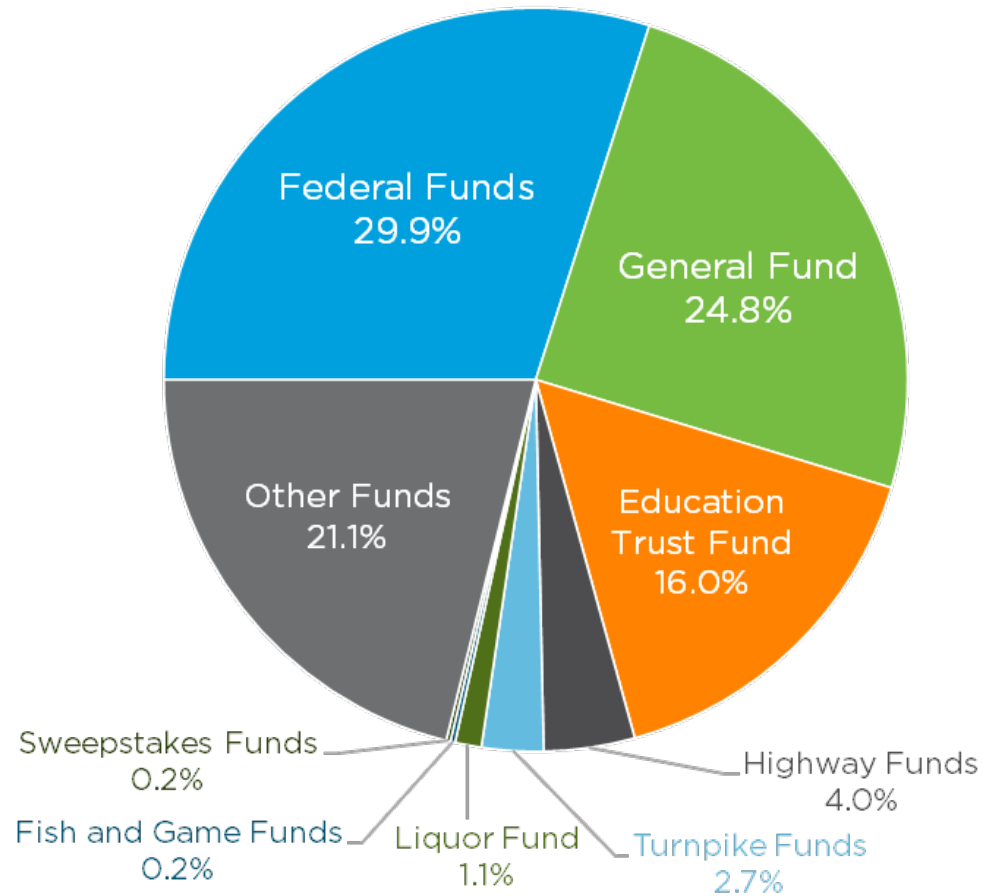


Sources: Office of Legislative Budget Assistant, Fiscal Issue Brief, Calculating Education Grants, January 2019; New Hampshire Department of Education, State Average Cost Per Pupil and Total Expenditures 2019-2020, December 21, 2020.

NEW HAMPSHIRE'S STATE BUDGET FUNDS

NEW HAMPSHIRE, STATE FISCAL YEAR 2021

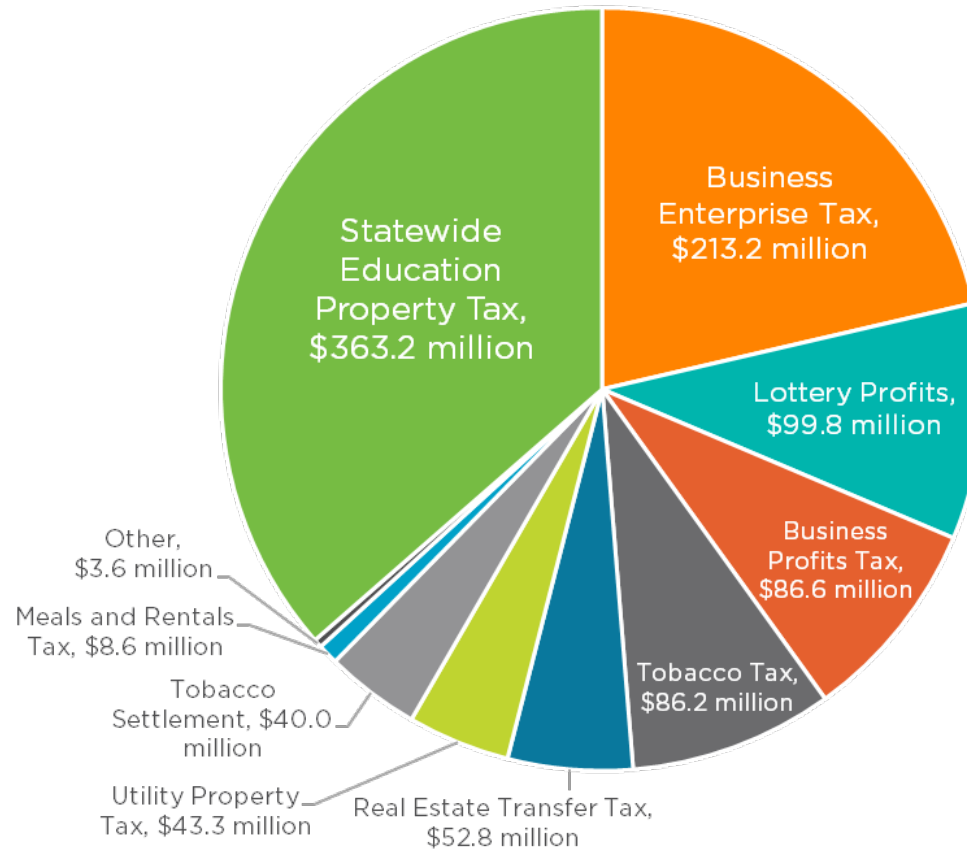
Source: Chapter 345, Laws of 2019



FUNDING THE EDUCATION TRUST FUND

NEW HAMPSHIRE'S EDUCATION TRUST FUND STATE FISCAL YEAR 2020 REVENUE SOURCES

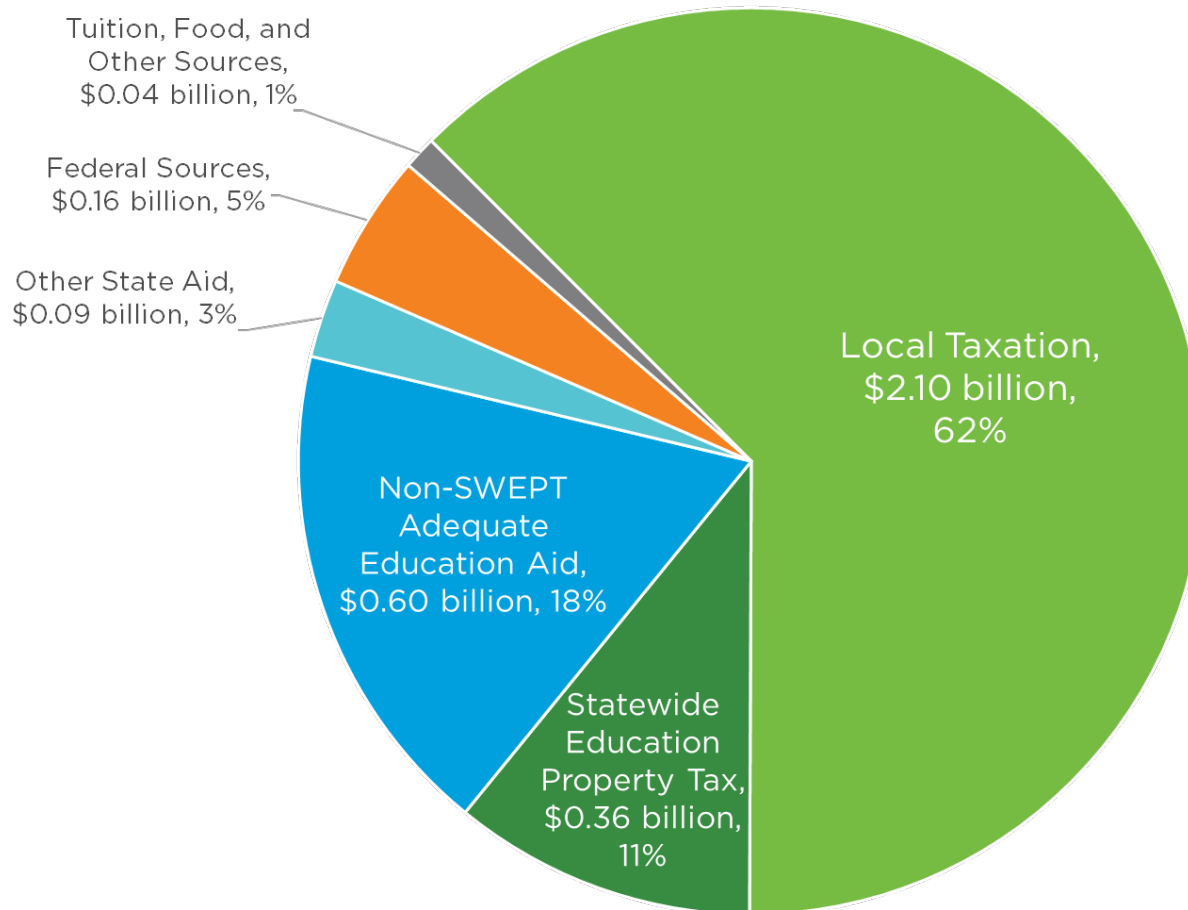
Source: New Hampshire Comprehensive Annual Financial Report, State Fiscal Year 2020



MOST LOCAL PUBLIC SCHOOL DISTRICT REVENUE PRODUCED BY PROPERTY TAXES

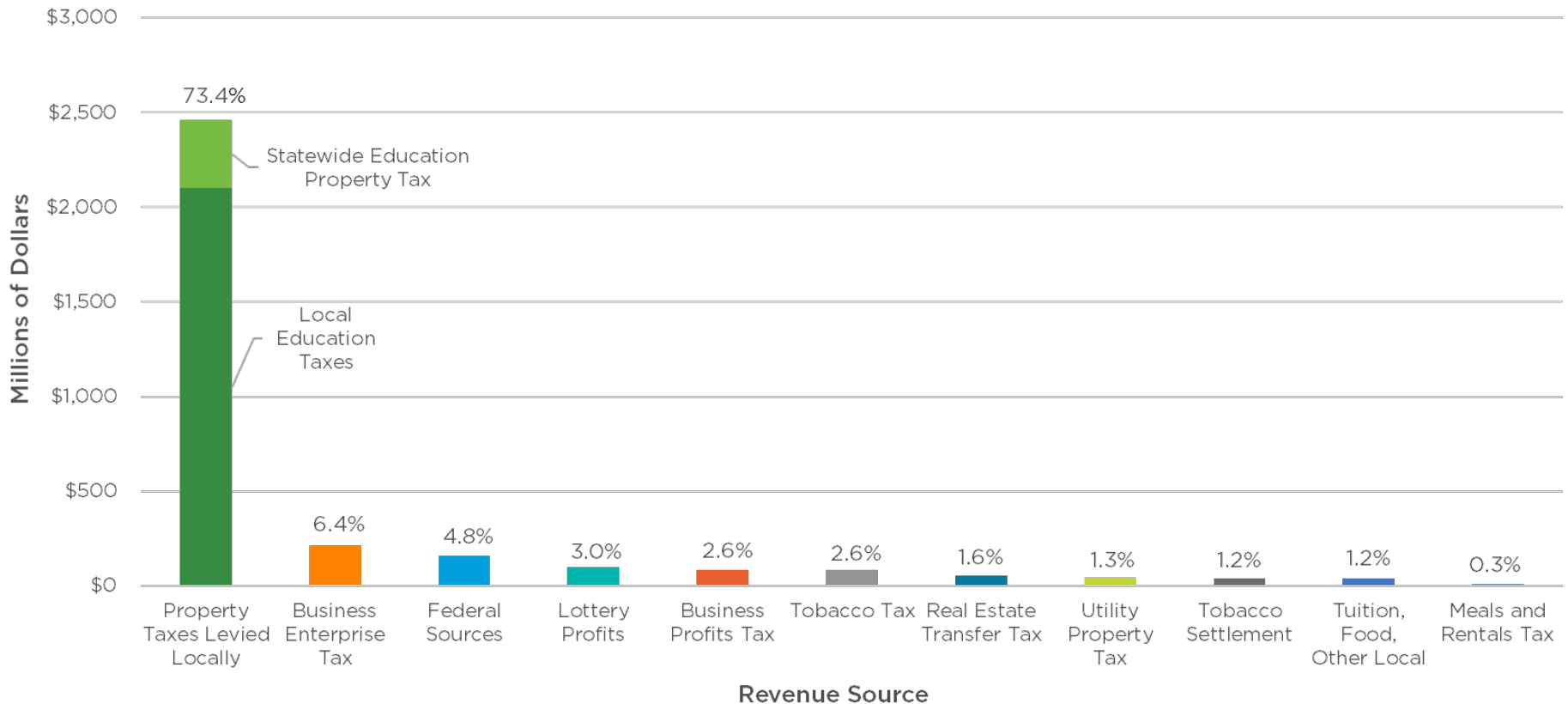
SCHOOL DISTRICT REVENUE 2019-2020

Source: New Hampshire Department of Education, December 21, 2020



NON-PROPERTY TAX REVENUE SOURCES VARIED AND LIMITED

RELATIVE MAGNITUDES OF FUNDING SOURCES FOR LOCAL PUBLIC EDUCATION IN NEW HAMPSHIRE

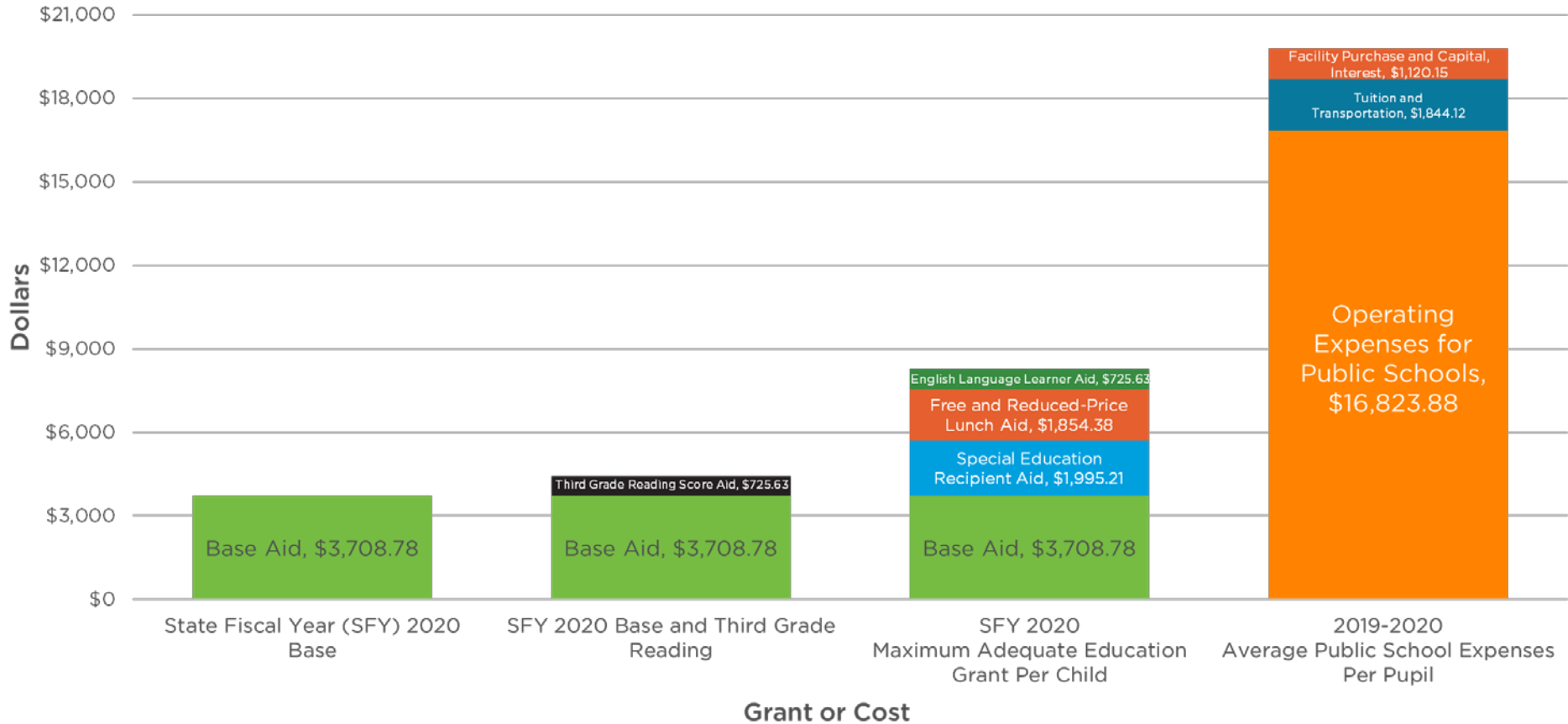


Note: Percentages do not add to 100 percent, likely due to both slight time period mismatches and any non-Education Trust Fund support counted for local public schools. Only revenue flowing to the Education Trust Fund in State Fiscal Year 2020 is counted in the individual tax revenue sources measured here.

Sources: New Hampshire Comprehensive Annual Financial Report, State Fiscal Year 2020; New Hampshire Department of Education, State Summary of Revenue and Expenditures of School Districts 2019-2020, December 21, 2020

ADEQUATE EDUCATION GRANT SIZE LOWER THAN AVERAGE SCHOOL DISTRICT COSTS

ADEQUATE EDUCATION AID AND SCHOOL COSTS PER STUDENT
NEW HAMPSHIRE LOCAL PUBLIC SCHOOLS AND STATE AID



Sources: Office of Legislative Budget Assistant. Fiscal Issue Brief. Calculating Education Grants, January 2019; New Hampshire Department of Education, State Average Cost Per Pupil and Total Expenditures 2019-2020, December 21, 2020.

KEY TAKEAWAYS

- Adequate Education Grants are the primary method of State support for local public schools
- Per pupil grants include differentiated aid based on students
- Separate appropriation for higher-need special education aid
- Ongoing legal activity regarding public education funding
- Adequate Education Grants considerably smaller than statewide average per pupil expenditures
- Local property taxes the key revenue source for funding the difference between State support and actual expenditures

ADDITIONAL RESOURCES

- Presentation: The New Hampshire State Budget and Education Funding – February 11, 2021
<https://nhfpi.org/resource/the-new-hampshire-state-budget-and-education-funding/>
- Presentation: Examining Local Economic Conditions and Fiscal Capacities – July 20, 2020
<https://nhfpi.org/resource/examining-local-economic-conditions-and-fiscal-capacities/>
- Issue Brief: Education Funding in the House Budget – May 6, 2019
<https://nhfpi.org/resource/education-funding-in-the-house-budget/>
- Resource Page: Education
<https://nhfpi.org/topic/education/>



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