

**Remarks by Mayor Evelyn Sirrell  
Leader of the Coalition Communities  
House Education Committee  
Feb. 22, 2005**

Thank you Mr. Chairman and members of the Education Committee.

I am here today as the leader of the Coalition of Communities that I organized in 1999. Today, we include 34 towns stretching from the Seacoast to as far north as Pittsburg.

I am speaking in favor of House Bill 684, which is a streamlined and simpler version of the House Bill 717 developed for the Coalition that passed the House two years ago.

This bill is a good bill. It puts education-funding needs first and then really looks at a town's ability to pay for them. As you have already heard, this kind of formula is used in more than 40 other states and is based on a great deal of research. And it makes sense.

We absolutely believe that some income factor must be included in determining a town's ability to pay for education.

In my area of the state, property values have gone up by huge amounts. But people's incomes haven't grown at anywhere near the same rate. The value of their property doesn't translate into more money in their pockets unless they sell.

This really affects the elderly, those on fixed income and even middle-class residents who have lived in their homes for many years.

That's why we believe a good education formula must include some way of looking at income AND property values to truly reflect what a town can afford to pay for education.

Thank you.

**Remarks by Rep. Edmond Gionet, Grafton 3**  
**House Education Committee**  
**Feb. 22, 2005**

I am Representative Edmond Gionet from Lincoln, and I am very proud to be here today to speak on behalf of House Bill 684, the targeted aid Education funding legislation developed by the Coalition of Communities.

This bill has four other House sponsors – Representatives Betsey Patten of Moultonborough, Jane Langley of Rye, Marjorie Maybeck of Holderness and Randy Foose of New London. It also has four Senate sponsors—Martha Fuller Clark of Portsmouth, Joe Kenney of Wakefield, John Gallus of Berlin and Carl Johnson of Meredith.

HB684 is very similar to the education funding bill I introduced two years ago, and the House passed, but it's been made even better and simpler.

I want to stress here that we are talking about an Education funding bill. It starts from the fact that no one can possibly provide an adequate education to any NH schoolchild for \$3,580.

There's a lot of disagreement over just how much it DOES cost to provide an "adequate education" so this bill does what many other states have done... It looks at the state average per pupil cost... which is over \$7,800 in NH and we use that number as our goal.

You probably want to know how we can pay for this. Our bill recognizes what a shell game the Statewide Property Tax is and eliminates it immediately. For nearly every town in the State... other than the donor towns... the statewide property tax is simply a local property tax that has a different name. It's raised locally. And it never even leaves the community.

So when people say, oh, the State can't spend less than the 800-plus million we are spending on education now... who are we kidding? The State has never spent that amount. But we've made progress. Instead of the \$97 million the State spent on education in 1998, we now spend roughly \$450 million from the Education Trust Fund. That's the only real state money going toward education.

The Education Trust Fund, on the other hand, is made up of taxes raised at a uniform rate across the state. The Courts have said that the State must assure that every school district has sufficient resources to provide an adequate education... as reasonably determined by the legislative and executive branches....

And that whatever the State pays... it must use revenue sources raised at a uniform rate throughout the State. The Education Trust Fund does that.

The courts never said the State must "pay for" each dollar of the adequate education cost for "every" pupil. In fact, no state in the union has an education grant program that does that.

Speaking of the courts, I don't think they ever envisioned a system like we have now. Since 1999, the amount of real school aid in the form of grants from the Education Trust Fund has been allocated like this:

The four-lowest income towns in the state have seen an average 187 percent increase in education aid. The five Claremont lawsuit towns have seen an average increase of 122 percent.

And the four highest-income towns in the state? I'm glad you're sitting down for this one... have seen an average increase in school aid of ... 1,272 percent... That's right, one-thousand, two-hundred and 72 percent.

There's something rotten in Denmark with this system.

But some of you may be saying, oh no, we can't consider a plan that doesn't give money to every schoolchild because well, it might not be constitutional.

But I say: Only a court can say what's constitutional. What court has ever said the system we have now is constitutional? I believe that we, as legislators, need to do what's right and if someone takes the plan to court, so be it.

This bill can be defended in court. You have before you today a "white paper" that talks about why we believe House Bill 684 is constitutional.

And just last week, I read that the Massachusetts Supreme Court rejected a challenge to that state's education funding system, which uses targeted aid. And as you may know, our constitution is identical to theirs regarding the need to cherish education.

House Bill 684 is a true targeted aid bill that gets the money to where it's needed. It is based on the type of education formulas used in 41 other states – that first the State looks at a town's education needs and then its ability to pay for education and makes up the difference.

This bill is based on the recommendations of school finance experts and it's based on years of research. It helps the schoolchildren who need it. It lets school districts and towns plan ahead.

It may not be perfect, but it's very, very good. We can't afford to wait for absolutely perfect. It doesn't exist.

Thank you for your time and consideration. I have Dr. Daphne Kenyon here, who is the economist who developed the bill's formula, to discuss the reasoning behind the formula and how it works.