Bill as Introduced

HB 608-FN-LOCAL – AS AMENDED BY THE HOUSE

12mar03... 0139h
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2003 SESSION

03-0045
04/09

HOUSE BILL ***608-FN-LOCAL***

AN ACT reducing the education property tax rate and relative to the calculation of adequate education grants.

SPONSORS: Rep. Hess, Merr 37; Rep. Kurk, Hills 48; Sen. O'Hearn, Dist 12; Sen. Clegg, Dist 14

COMMITTEE: Ways and Means

AMENDED ANALYSIS

This bill:

I. Provides that the calculation of the statewide cost of an adequate education shall be indexed to the northeast regional consumer price index for all urban consumers for the 4 immediately preceding calendar years.

II. Reduces the education property tax rate from $5.80 to $4.92 for the 2004 fiscal year, and thereafter further reduces the rate by 20 cents per fiscal year through the 2009 fiscal year.

III. Beginning July 1, 2009, requires that the commissioner of the department of revenue administration set the education property tax rate by calculating the percentage change in the total valuation of all developed land in the state, assessed at 100 percent of fair market value, and adjusting the rate in the immediately preceding fiscal year in inverse proportion to such rate.

IV. Changes the payment for transportation costs to include 100 percent of the total cost of transporting pupils in kindergarten through grade 8 to and from school.

V. Changes the definition of average daily membership in residence for the purpose of calculating state aid for educational adequacy.

VI. Implements a weighting formula for counting home educated pupils.

VII. Provides that beginning July 1, 2003 and every fiscal year thereafter, targeted education grants shall be made to municipalities.

Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

12mar03... 0139h
10apr03... 1105h

03-0045
04/09

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Three

AN ACT reducing the education property tax rate and relative to the calculation of adequate education grants.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 Statement of Purpose; Legislative Findings.

I. The general court recognizes the inherent imprecision and subjectivity involved in determining the cost of providing the opportunity for an adequate education. In the exercise of its constitutional authority and discretion, to provide the opportunity for pupils to obtain an adequate education, the general court has adopted an average costing methodology. The general court recognizes that this costing methodology may produce spending pressures and results that may not accurately reflect the cost of continuing to provide adequate educational opportunity over time. As a result, the general court finds that changing the base cost per pupil by reference to the consumer price index is the most appropriate way to calculate changes in the cost of an adequate education.

II. The general court further finds that the local portion of the cost of education is primarily funded through a local tax on property. Resident homeowners use personal income to pay their property tax bills. In municipalities that have less industry, and fewer rental properties or vacation homes, resident homeowners bear most of the burden in paying the local property tax. Targeted education grants will assist those municipalities that have less other property and less income in relation to home values in providing additional education services.

2 Education Property Tax; Fiscal Year 2004 Rate Reduced. Amend RSA 76:3 to read as follows:

76:3 Education Property Tax. An annual education property tax at the uniform rate of [~~$5.80~~] ***$4.92*** on each $1000 of the value of taxable property is hereby imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F.

3 Education Property Tax; Fiscal Year 2005 Rate Reduced. Amend RSA 76:3 to read as follows:

76:3 Education Property Tax. An annual education property tax at the uniform rate of [~~$4.92~~] ***$4.72*** on each $1000 of the value of taxable property is hereby imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F.

4 Education Property Tax; Fiscal Year 2006 Rate Reduced. Amend RSA 76:3 to read as follows:

76:3 Education Property Tax. An annual education property tax at the uniform rate of [~~$4.72~~] ***$4.52*** on each $1000 of the value of taxable property is hereby imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F.

5 Education Property Tax; Fiscal Year 2007 Rate Reduced. Amend RSA 76:3 to read as follows:

76:3 Education Property Tax. An annual education property tax at the uniform rate of [~~$4.52~~]

$4.32 on each $1000 of the value of taxable property is hereby imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F.

6 Education Property Tax; Fiscal Year 2008 Rate Reduced. Amend RSA 76:3 to read as follows:

76:3 Education Property Tax. An annual education property tax at the uniform rate of [~~$4.32~~] *$4.12* on each $1000 of the value of taxable property is hereby imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F.

7 Education Property Tax; Fiscal Year 2009 Rate Reduced. Amend RSA 76:3 to read as follows:

76:3 Education Property Tax. An annual education property tax at the uniform rate of [~~$4.12~~] *$3.92* on each $1000 of the value of taxable property is hereby imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F.

8 Education Property Tax; Rate Formula. RSA 76:3 is repealed and reenacted to read as follows:

76:3 Education Property Tax.

I. Beginning July 1, 2009, and every July 1 thereafter, the commissioner of the department of revenue administration shall calculate the education property tax rate to be imposed in the fiscal year by calculating the percentage change in the total valuation of all developed land in the state as of June 30 of the year in which the calculation is made, assessed at 100 percent of fair market value, and adjusting the education property tax rate that was in effect as of June 30, 2009 in inverse proportion to such percentage change. In this section, "developed land" shall mean any land, regardless or whether or not it is subject to a conservation restriction, upon which structures or improvements have been introduced for residential, commercial, or industrial purposes or any commercial mining or excavating purposes inconsistent with its use as open space land.

II. The maximum tax rate imposed under this section shall not exceed the education tax rate in effect during the immediately preceding fiscal year.

9 New Subparagraph; School Money; Definitions. Amend RSA 198:38, VII by inserting after subparagraph (d) the following new subparagraph:

(e) Each pupil who is home educated pursuant to a program approved under RSA 193-A shall be added as follows:

(1) 0.1 for each home educated pupil participating in a public school activity; and

(2) An additional 0.15 for each academic course taken in a public school, provided that no co-curricular activity, as defined by the department of education, shall count as an academic course under this subparagraph.

10 Consumer Price Index Adjustments to the Base Cost Per Pupil Calculation. For the fiscal year beginning July 1, 2003, and every fiscal year thereafter, the base cost per pupil shall be adjusted by the average annual percentage rate of inflation for the 4 immediately preceding calendar years.

11 School Money; Determination of Per Pupil Adequate Education Cost and Adequate Education

Grant. Amend RSA 198:40, III to read as follows:

III. For each fiscal year, the statewide cost of an adequate education for all pupils shall be calculated by multiplying the average base per pupil cost of an adequate education by the statewide weighted average daily membership in residence of pupils and then adding [~~70~~] ***100*** percent of [~~total statewide~~] transportation costs ***as defined in RSA 198:38, XI.***

12 School Money; State Aid for Educational Adequacy. Amend RSA 198:38, XI to read as follows:

XI. "Transportation costs" means the [~~costs~~] ***cost*** of transporting pupils ***in kindergarten through grade 8*** to and from school [~~and other school activities~~] ***as*** reported by school districts on the [~~MS-25~~] ***DOE-25*** form.

13 School Money; Determination of Adequate Education Grants. Amend RSA 198:41, I(b) to read as follows:

(b) Add to the product of subparagraph (a), [~~70~~] ***100*** percent of the municipality's apportioned transportation [~~cost~~] ***costs as defined in RSA 198:38, XI***;

14 New Section; Targeted Education Grants. Amend RSA 198 by inserting after section 45 the following new section:

198:45-a Targeted Education Grants.

I. In this section:

(a) "Median family income" and "median home value" shall be as defined in the most recent census data published for New Hampshire counties and municipalities by the United States Census Bureau, United States Department of Commerce. County values shall be used for unincorporated places not reported in the census data.

(b) "Total equalized valuation" shall mean the most recent available total equalized valuation, including utilities and railroads, as determined by the department of revenue administration.

(c) "Adjustment percentage" shall mean the percentage which will result in a total targeted education grant distribution in a fiscal year that will match, as nearly as possible without exceeding, the appropriation in such fiscal year for targeted education grants.

II. The department of education shall annually calculate each municipality's targeted education grant as set forth in this paragraph.

(a) The department of education shall calculate the statewide average per pupil target amount as follows:

(1) Multiply the statewide median family income by 0.5 percent; and

(2) Divide the product by the statewide median home value; and

(3) Multiply the result by the statewide total equalized valuation and divide the product by the statewide average daily membership in residence. The result shall be the statewide average per pupil target amount.

(4) Multiply the statewide average per pupil targeted amount by 2 and multiply the result by the adjustment percentage.

(b) The department of education shall calculate the local valuation per pupil as follows:

(1) Multiply the average median family income in the municipality by 0.5 percent; and

(2) Divide the product by the median home value in the municipality; and

(3) Multiply the result by the total equalized valuation in the municipality and divide the product by the average daily membership in residence in the municipality. The result shall be the local per pupil amount.

(c) Subtract the amount obtained in subparagraph (b) from the amount obtained in subparagraph (a) and multiply the difference by the adjustment percentage. The result, if greater than zero, shall be multiplied by the average daily membership in residence in the municipality and shall be distributed to the municipality as a targeted education grant.

III. The sums of $10,000,000 for the 2004 fiscal year, $15,000,000 for the 2005 fiscal year, $20,000,000 for the 2006 fiscal year, $20,000,000 for the 2007 fiscal year, shall be appropriated to the education trust fund established in RSA 198:39 for the purpose of providing targeted education grants to school districts. The governor is authorized to draw a warrant for said sums out of any money in the treasury not otherwise appropriated.

IV. Targeted education grants made under this section shall be distributed in accordance with RSA 198:42.

15 School Boards, Teachers; Definitions Amended. RSA 189:1-d is repealed and reenacted to read as follows:

189:1-d Definitions. In this chapter:

I. "Attendance" means full-time participation in a program of instruction under the direction of a teacher employed by the school district. Educationally disabled home educated pupils educated at school district expense under the direction of a teacher employed by the school district shall be included.

II. "Membership" means pupils of whom attendance is expected, whether a pupil is present or absent on any given day.

III. "Average daily membership in attendance" means the aggregate half-day membership of pupils attending schools operated by a school district divided by the number of half-days of instruction offered. The average daily membership in attendance for preschool and kindergarten pupils shall be divided by the number of instructional days offered to higher level elementary grades.

IV. "Average daily membership in residence" means the average daily membership in attendance of pupils who are legal residents of the school district pursuant to RSA 193:12 or RSA 193:27, IV and are attending any public school, or who are attending any charter school or private school program approved by the department of education at the expense of the school district.

16 Procedure for Formation of Cooperative School Districts; Apportioning Operating Expenses; Exclusion of Home Education Pupils Deleted. Amend RSA 195:18, III(e) to read as follows:

(e) The method of apportioning the operating expenses of the cooperative school district among the several preexisting districts and the time and manner of payment of such shares. [~~Home education pupils who do not receive services from the cooperative school district, except an evaluation pursuant to RSA 193-A:6, II shall not be included in the average daily membership relative to apportionment formulas.~~]

17 Procedure for Formation of Cooperative School Districts; Apportioning Capital Expenses; Exclusion of Home Education Pupils Deleted. Amend RSA 195:18, III(g) to read as follows:

(g) The method of apportioning the capital expenses of the cooperative school district among the several preexisting districts, which need not be the same as the method for apportioning operating expenses, and the time and manner of payment of such shares. Capital expenses shall include the costs of acquiring land and buildings for school purposes, including property owned by a preexisting district; the construction, furnishing, and equipping of school buildings and facilities; and the payment of the principal and interest of any indebtedness which is incurred to pay for the same or which is assumed by the cooperative school district. [~~Home education pupils who do not receive services from the cooperative school district, except an evaluation pursuant to RSA 193-A:6, II, shall not be included in the average daily membership relative to apportionment formulas.~~]

18 Effective Date.

I. Section 2 of this act shall take effect and shall apply to education property taxes due for the tax year beginning April 1, 2004.

II. Section 3 of this act shall take effect and shall apply to education property taxes due for the tax year beginning April 1, 2005.

III. Section 4 of this act shall take effect and shall apply to education property taxes due for the tax year beginning April 1, 2006.

IV. Section 5 of this act shall take effect and shall apply to education property taxes due for the tax year beginning April 1, 2007.

V. Section 6 of this act shall take effect and shall apply to education property taxes due for the tax year beginning April 1, 2008.

VI. Section 7 of this act shall take effect and shall apply to education property taxes due for the tax year beginning April 1, 2009.

VII. RSA 76:3 as inserted by section 8 of this act shall take effect July 1, 2009.

VIII. RSA 198:38, VII(e) as inserted by section 9 of this act shall take effect July 1, 2005.

IX. The remainder of this act shall take effect July 1, 2003.

LBAO
03-0045
Amended 4/3/03

HB 608 FISCAL NOTE

AN ACT reducing the education property tax rate and relative to the calculation of adequate education grants.

FISCAL IMPACT:

The Department of Revenue Administration indicates this bill, as amended by the House (House Amendment #2003-0139h), will decrease state education trust fund revenue by $84,665,672 in FY 2004. The Department of Education indicates this bill will decrease state education trust fund expenditures and local revenue by $70,523,576 in FY 2004, $51,735,707 in FY 2005, $152,923,337 in FY 2006 and $152,701,665 in FY 2007. There will be no fiscal impact to county revenue or county and local expenditures.

METHODOLOGY:

The Department of Revenue Administration indicates this bill will decrease the statewide property tax rate starting in FY 2004 from $5.80 to $4.92 and, as a result, property tax revenue deposited into the education trust fund will decrease by $84,665,672. The Department only calculated a decrease for FY 2004.

The cost of an adequate education is determined by multiplying a base cost by weighted pupils, and adding an amount for transportation reimbursement. The Department of Education indicates this bill will result in the following:

- This bill will index the base cost component in the adequate education formula to the consumer price index beginning in FY 2004. As a result, the base cost will be $3,390 vs. $3,556 under the current formula.
- This bill will reduce the number of weighted pupils by excluding home schooled pupils from the calculation.
- This bill will reduce the amount calculated for transportation by redefining transportation to include kindergarten through eighth grade, to and from school only.

As a result of the changes in this bill, the cost of adequacy, and therefor state education trust fund expenditures and local revenue, will decrease as follows:

FY 2004 $70,523,576

FY 2005	$51,735,707
FY 2006	$152,923,337
FY 2007	$152,701,665

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LBAO
03-0045
Amended 5/6/03

HB 608 FISCAL NOTE

AN ACT reducing the education property tax rate and relative to the calculation of adequate education grants.

FISCAL IMPACT:

The Department of Education indicates this bill, as amended by the House (**House Amendment #2003-1105h**), will decrease state education trust fund revenue by $84,665,672 in FY 2004, $112,220,500 in FY 2005, $140,391,078 in FY 2006, and $168,022,875 in FY 2007. State education trust fund expenditures and local revenue will decrease by $60,523,576 in FY 2004, $36,742,486 in FY 2005, $156,784,027 in FY 2006, and $135,265,463 in FY 2007. There will be no fiscal impact on county revenue or county and local expenditures.

This bill appropriates $10 million in FY 2004, $15 million in FY 2005, $20 million in FY 2006, and $20 million in FY 2007 in general funds to the Education Trust Fund for the purposes of this act.

METHODOLOGY:

The Department indicates this bill will result in an annual decrease in the statewide property tax rate starting in FY 2004 continuing through FY 2007. The statewide property tax rate will drop from the current rate of $5.80 to $4.92 in FY 2004, $4.72 in FY 2005, $4.52 in FY 2006, and $4.32 in FY 2007, and as a result, property tax revenue deposited into the education trust fund will decrease by $84,665,672 in FY 2004, $112,220,500 in FY 2005, $140,391,078 in FY 2006, and $168,022,875 in FY 2007. The Department of Education used Department of Revenue Administration estimates for growth in equalized valuation, 8% in 2005, 6% in 2006 and 4% in 2007.

The Department of Education made the following assumptions when estimating the impact of this bill:

- FY 2004 and 2005 amounts are based on actual data.
- Special education pupils used in the grant calculation will increase 1% from FY 2005 to 2006 and 1% from FY 2006 to 2007.
- Elementary Average Daily Membership in Residence (ADM-R) will decline .5% from FY 2005 to 2006 and 1% from FY 2006 to 2007.
- High School ADM-R will increase 2.5% from FY 2005 to 2006 and 1% from FY 2006 to 2007.
- Free and reduced lunch pupils will remain constant at FY 2005 levels.

- The base cost will increase by 16%.
- CPI average annual increases will be 2.5%.
- Home school enrollment will remain constant at 3,000, and 10% are assumed to enroll in one co-curricular activity and 10% in an academic course.
- Special education transportation costs are not included in the cost of transportation.

As a result of the changes in this bill, the cost of adequacy, and therefor, state education trust fund expenditures and local revenue, will decrease as follows:

CURRENT LAW	FY 2004	FY 2005	FY 2006	FY 2007
Weighted Pupils	255,659.10	258,036.60	259,408.40	258,884.70
Base Cost	$3,556	$3,556	$4,125	$4,125
Subtotal	$909,123,760	$917,578,150	$1,070,059,650	$1,067,899,388
Transportation	46,461,400	50,759,534	55,327,892	59,896,250
Adjustment	(42,344)	(33,075)	(68,952)	(72,070)
Cost of Adequacy	$955,542,816	$968,304,609	$1,125,318,590	$1,127,723,568
HB 608				
Weighted Pupils	251,635.30	253,865.30	255,289.60	254,792.40
Base Cost	$3,390	$3,478	$3,572	$3,661
Subtotal	$853,043,667	$882,943,513	$911,894,451	$ 932,794,976
Transportation	32,012,656	33,647,382	36,675,643	39,703,911
Adjustment	(37,083)	(28,772)	(35,531)	(40,782)
Target Aid	10,000,000	15,000,000	20,000,000	20,000,000
Cost of Adequacy	$895,019,240	$931,562,123	$968,534,563	$992,458,105
Reduction in Expenditures	$60,523,576	$36,742,486	$156,784,027	$135,265,463

HB 608-FN-LOCAL – AS AMENDED BY THE SENATE

12mar03... 0139h
10apr03... 1105h
05/22/03 1656s

2003 SESSION

03-0045
04/09

HOUSE BILL ***608-FN-LOCAL***

AN ACT relative to the funding of public education.

SPONSORS: Rep. Hess, Merr 37; Rep. Kurk, Hills 48; Sen. O'Hearn, Dist 12; Sen. Clegg, Dist 14

COMMITTEE: Ways and Means

AMENDED ANALYSIS

This bill:

I. Reduces the education property tax rate from $5.80 to $4.87 for the 2004 fiscal year and to $3.50 for the 2005 fiscal year.

II. Beginning July 1, 2005, establishes a new education funding formula for municipalities and sets forth criteria whereby municipalities may receive local equalized aid, targeted per pupil aid, and state enhanced education aid for pupils in the public schools.

III. Establishes a new procedure for determining the statewide cost of an adequate education.

Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

HB 608-FN-LOCAL – AS AMENDED BY THE SENATE

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03-0045
04/09

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Three

AN ACT relative to the funding of public education.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 Education Property Tax; Rate Reduced. Amend RSA 76:3 to read as follows:

76:3 Education Property Tax. An annual education property tax at the uniform rate of [~~$5.80~~] ***$4.87*** on each $1000 of the value of taxable property is hereby imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F.

2 State Enhanced Education Tax. RSA 76:3 is repealed and reenacted to read as follows:

76:3 State Enhanced Education Tax. An annual state enhanced education tax at the uniform rate of $3.50 on each $1,000 of the value of taxable property is hereby imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F.

3 State Enhanced Education Tax. RSA 76:3 is repealed and reenacted to read as follows:

76:3 State Enhanced Education Tax. Beginning July 1, 2005, and every fiscal year thereafter, the state enhanced education tax rate shall be determined in accordance with the calculation set forth in RSA 198:40-b, and such rate shall be imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F. The commissioner of the department of revenue administration shall set the rate which shall be effective for the fiscal year in which the calculation is made.

4 Assessment; Commissioner's Warrant; Commissioner's Report. Amend RSA 76:8 and 76:9 to read as follows:

76:8 Commissioner's Warrant.

I. The commissioner of revenue administration shall annually calculate the proportion of ***state enhanced*** education [~~property~~] tax to be raised by each municipality by multiplying the uniform education property tax rate by the total equalized value of all property in the municipality as determined under RSA 21-J:3, XIII for the preceding year, except property taxable under RSA 82 or RSA 83-F.

II. The commissioner shall issue a warrant under the commissioner's hand and official seal for the amount computed in paragraph I to the selectmen or assessors of each municipality by December 15 directing them to assess such sum and pay it to the municipality for the use of the school district or districts and, if there is an excess ***state enhanced*** education tax payment due

pursuant to RSA 198:46, directing them to assess the amount of the excess payment and pay it to the department of revenue administration for deposit in the education trust fund. Such sums shall be assessed at such times as may be prescribed for other taxes assessed by such selectmen or assessors of the municipality.

III. Municipalities are authorized to assess local property taxes necessary to fund school district appropriations not funded by the ***state enhanced*** education [~~property~~] tax, by distributions from the education trust fund under RSA 198:39, or by other revenue sources.

76:9 Commissioner's Report. The commissioner of revenue administration shall report to the governor, the speaker of the house of representatives, the president of the senate, and the commissioner of education each year on or before October 1, a statement of the ***state enhanced*** education [~~property~~] tax warrants to be issued for the tax year commencing April 1 of the succeeding year.

5 Utility Property Tax; Exemption. Amend RSA 83-F:9 to read as follows:

83-F:9 Exemption From State ***Enhanced*** Education [~~Property~~] Tax. Persons and property subject to taxation under this chapter shall not be subject to tax under RSA 76:3; provided, however, that nothing in this chapter shall be construed to exempt such persons or property from local school, municipal, district, or county taxation under RSA 76.

6 School Money; Education Trust Fund. Amend the introductory paragraph of RSA 198:39, I to read as follows:

I. The state treasurer shall establish an education trust fund in the treasury. Moneys in such fund shall not be used for any purpose other than to distribute adequate education grants to municipalities' school districts pursuant to RSA 198:42, and to provide ***state enhanced*** education [~~property~~] tax hardship relief under RSA 198:55. The state treasurer shall deposit into this fund immediately upon receipt:

7 School Money; Education Trust Fund. Amend RSA 198:39, I(g) to read as follows:

(g) The full amount of excess ***state enhanced*** education [~~property~~] tax payments from the department of revenue administration pursuant to RSA 198:46.

8 State Aid for Educational Adequacy; Definitions. RSA 198:38 is repealed and reenacted to read as follows:

198:38 Definitions. In this subdivision:

I. "Municipality" means a city, town, or unincorporated place.

II. "School district" means school district as defined in RSA 194:1 or RSA 195:1.

III. "Elementary school" means a school with any of the grades kindergarten through 8.

IV. "High school" means a school with any of the grades 9 through 12.

V. "Department" means the department of education.

VI. "Educationally disabled child" or "educationally disabled pupil" means an educationally disabled child as defined in RSA 186-C:2, I.

VII. "Average daily membership in attendance" means average daily membership in attendance as defined in RSA 189:1-d, III.

VIII. "Average daily membership in residence" and "resident pupils" mean the average daily membership in residence as defined in RSA 189:1-d, IV, except that no kindergarten pupil shall count as more than 1/2 day attendance per calendar day. Children who are home schooled pursuant to a home education program approved by the department in accordance with RSA 193-A shall not be included in this definition.

IX. "Transportation cost" means the cost of transporting pupils in grades kindergarten through grade 8 to and from school as reported by school districts on the DOE-25 form.

X. "Free or reduced-price meal" means the number of pupils in a school district in grades 1 through 12 who are eligible to receive a free or reduced-priced meal shall be calculated by multiplying each municipality's elementary average daily membership in residence by the percentage of elementary pupils eligible to receive a free or reduced-price meal in the district of residence.

9 State Aid for Educational Adequacy; Local Equalization Aid; Per Pupil Valuation. RSA 198:40 is repealed and reenacted to read as follows:

198:40 Local Equalization Aid. Beginning July 1, 2004, and every fiscal year thereafter, local equalization aid shall be calculated by the department as follows:

I. The total statewide equalized valuation of all municipalities including utilities, as determined by the department of revenue administration, shall be divided by the total statewide average daily membership in residence. The result shall be the statewide average equalized valuation per pupil.

II. The equalized valuation of all property in a municipality including utilities, as determined by the department of revenue administration, shall be divided by the average daily membership in residence in the municipality. The result shall be the local equalized valuation per pupil.

III. Eligibility for local equalization aid under this paragraph shall be determined as follows:

(a) If a municipality's local equalized valuation per pupil as calculated in paragraph II is equal to, or greater than, the statewide average equalized valuation per pupil as calculated in paragraph I, no local equalization aid shall be available.

(b) If a municipality's local equalized valuation per pupil as calculated in paragraph II is less than the statewide average equalized valuation per pupil as calculated in paragraph I, the municipality shall be entitled to receive local equalization aid in an amount equal to the following: subtract the local equalized valuation per pupil as calculated in paragraph II from the statewide average equalized valuation per pupil as calculated in paragraph I. This amount shall be multiplied by the average local education tax rate imposed statewide in the fiscal year in which this calculation is made, and the product shall be divided by 1,000. The result shall be multiplied by the average

daily membership in residence in such municipality and shall be available to a municipality as local equalization aid.

10 New Sections; Targeted Per Pupil Aid; State Enhanced Education Aid. Amend RSA 198 by inserting after section 40 the following new sections:

198:40-a Targeted Per Pupil Aid.

I. A municipality with a local equalized valuation per pupil as calculated in RSA 198:40, II, which is less than or equal to 200 percent of the statewide average equalized valuation per pupil, as calculated in RSA 198:40, I, shall be eligible to receive targeted per pupil aid for such municipality's educationally disabled pupils, pupils eligible for free or reduced-price meals, English for speakers of other languages, and for such municipality's transportation costs which shall be determined by multiplying the statewide average equalized valuation per pupil, as calculated in RSA 198:40, I, by the average local education tax rate imposed statewide in the fiscal year in which this calculation is made. The product shall be divided by 1,000 resulting in a per pupil amount which shall be available to a municipality as follows:

(a) The per pupil amount calculated in paragraph I shall be multiplied by the average daily membership in residence of educationally disabled pupils in the municipality. This amount shall be available as targeted aid for educationally disabled pupils in the municipality.

(b) The per pupil amount calculated in paragraph I shall be multiplied by the average daily membership in residence eligible to receive a free or reduced-price meal in kindergarten through grade 12 in the school district. This amount shall be available as targeted aid for pupils eligible to receive a free or reduced-price meal in the municipality.

(c) The per pupil amount calculated in paragraph I shall be multiplied by the average daily membership in attendance receiving English for speakers of other languages services in the municipality. This amount shall be available as targeted aid for pupils in the municipality receiving English for speakers of other languages. In this subparagraph "average daily membership in attendance" shall be as defined in RSA 189:1-d, III.

(d) A municipality eligible to receive targeted per pupil aid under this paragraph shall also receive 100 percent of transportation costs in such municipality.

II. A municipality with a local equalized valuation per pupil, as calculated in RSA 198:40, II, which is greater than 200 percent of the statewide average equalized valuation per pupil as calculated in RSA 198:40, I shall not receive targeted per pupil aid under this section.

198:40-b State Enhanced Education Aid. Beginning July 1, 2005, and every fiscal year thereafter, state enhanced education aid shall be calculated by the department as follows:

I. Divide the total statewide equalized valuation of all municipalities excluding utilities, as determined by the department of revenue administration, by the total statewide average daily membership in residence. The result shall be the statewide average equalized valuation per pupil.

II. Divide the equalized valuation of all property in a municipality excluding utilities, as

determined by the department of revenue administration, by the average daily membership in residence in the municipality. Multiply the result by the state enhanced education tax rate imposed in the fiscal year in which this calculation is made, and divide the product by 1,000. The result shall be the local equalized valuation per pupil.

III. Eligibility for state enhanced education aid under this paragraph shall be determined as follows:

(a) If a municipality's local equalized valuation per pupil as calculated in paragraph II is greater than or equal to the statewide average equalized valuation per pupil as calculated in paragraph I, no state enhanced aid shall be available.

(b) If a municipality's local equalized valuation per pupil as calculated in paragraph II is less than the statewide average equalized valuation per pupil as calculated in paragraph I, the municipality shall be entitled to receive state enhanced education aid in an amount equal to the following: subtract the local equalized valuation per pupil as calculated in paragraph II from the statewide average equalized valuation per pupil as calculated in paragraph I. This amount shall be multiplied by the state enhanced education tax imposed statewide in the fiscal year in which this calculation is made, and the product shall be divided by 1,000. The result shall be multiplied by the average daily membership in residence in such municipality and shall be available to a municipality as state enhanced education aid.

IV.(a) In any fiscal year, if the amount raised by the state enhanced education property tax in any municipality, except an unincorporated place or a town with an average daily membership in residence of one or less, exceeds the amount necessary to fund all local education costs as determined in such municipality's duly adopted school district budget, the excess shall be remitted to the department of revenue administration on or before March 15 of the tax year in which the excess occurs.

(b) The amount of such excess to be remitted shall not include any income derived from the investment of funds by the municipal treasurers under RSA 41:29 and RSA 48:16. Any funds remaining after full payment of the excess tax required in paragraph I shall become available for unrestricted use by the municipality.

(c) The commissioner of the department of revenue administration shall collect from the municipality the excess tax and pay the excess tax over to the state treasurer for deposit in the education trust fund established in RSA 198:39.

(d) The commissioner of the department of revenue administration shall calculate the excess amount owed by each municipality pursuant to paragraph I.

V. In any fiscal year, a municipality shall appropriate all state enhanced education aid funds received under this section to pay for local education costs before raising any additional local education tax revenues locally.

198:40-c Total State Aid for Education.

I. Beginning July 1, 2004, and every fiscal year thereafter, the total state aid for education shall be determined as follows:

(a) The sum total of all local equalization aid as calculated under RSA 198:40 paid to all municipalities statewide; plus

(b) The sum total of all targeted aid as calculated under RSA 198:40-a paid to all municipalities statewide; plus

(c) The sum total of all state enhanced education aid as calculated under RSA 198:40-b.

II. In each fiscal year, the total aid calculated in paragraph I shall be adjusted by adding the average annual rate of inflation, as measured by the most recent available northeast region consumer price index for all urban consumers as published by the Bureau of Labor Statistics, United States Department of Labor. The resulting sum, expressed as a percentage, shall be added to 100 percent to yield an adjustment factor. The total state aid for education from the immediately preceding year shall be multiplied by the adjustment factor and the product shall be the adjusted total state aid for education.

III. In each fiscal year, the commissioner of the department of revenue administration shall determine, to the nearest cent, the state enhanced education tax rate that will match, as nearly as possible without exceeding, the amount raised statewide by the state enhanced education tax in fiscal year 2005.

IV. In any fiscal year in which the total state aid for education as calculated under this section would exceed the total state aid for education distributed to municipalities in the immediately preceding fiscal year as adjusted pursuant to paragraph II of this section, the total state aid for education shall be reduced to the amount distributed to municipalities in the immediately preceding fiscal year, as adjusted pursuant to paragraph II of this section, and the amount of the excess shall be deducted from each municipality's total state aid on a pro rata basis.

11 Determination of Adequate Education Grants. RSA 198:41 is repealed and reenacted to read as follows:

198:41 Determination of Adequate Education Grants.

I. Except for municipalities where all school districts therein provide education to all of their pupils by paying tuition to other institutions, the department of education shall determine the amount of the adequate education grant for the municipality adding the all sums received by a municipality under RSA 198:40, RSA 198:40-a, and RSA 198:40-b, and subtracting from the sum the amount of the tax warrant issued by the commissioner of the department of revenue administration pursuant to RSA 76:9 for the next tax year.

II. For municipalities where all school districts therein provide education to all of their pupils by paying tuition to other institutions, the department of education shall determine the amount of the adequate education grant for each municipality as the lesser of the two following calculations:

(a) The amount calculated in accordance with paragraph I of this section; or

(b) The total amount paid for items of current education expense as determined by the department of education minus the amount of the warrant to be issued by the commissioner of revenue administration for such municipality reported pursuant to RSA 76:9 for the next tax year.

12 School Money; Distribution of Adequate Education Grants. Amend RSA 198:42, II to read as follows:

II. For the fiscal year beginning July 1, 1999, and every fiscal year thereafter the amount necessary to fund the grants under RSA [~~198:41~~] ***198:40-c*** is hereby appropriated from the education trust fund created under RSA 198:39 to the department of education according to the following formula: from the amount calculated in accordance with RSA [~~198:40, III,~~] ***198:40-c,*** subtract the aggregate amount of the ***state enhanced*** education [~~property~~] tax warrants to be issued by the commissioner of revenue administration for municipalities reported pursuant to RSA 76:9 for the next tax year. The governor is authorized to draw a warrant from the education trust fund to satisfy the state's obligation under this section. Such warrant for payment shall be issued regardless of the balance of funds available in the education trust fund. If the balance in the education trust fund, after the issuance of any such warrant, is less than zero, the commissioner of the department of administrative services shall inform the fiscal committee and the governor and council of such balance. This reporting shall not in any way prohibit or delay the distribution of adequate education grants.

13 Low and Moderate Income Homeowners Property Tax Relief. Amend RSA 198:57, III(a) to read as follows:

(a) Owns a homestead or interest in a homestead subject to the ***state enhanced*** education [~~property~~] tax;

14 Low and Moderate Income Homeowners Property Tax Relief. Amend RSA 198:57, IV(c) to read as follows:

(c) Multiply the lesser of the amount determined in subparagraph (a) or (b) by the [~~current~~] state ***enhanced*** education [~~property~~] tax rate as shown on the tax bill under RSA 76:11-a;

15 Excess Education Property Tax Payment; Subdivision Heading Amended. Amend the subdivision heading immediately preceding RSA 198:46 to read as follows:

Excess ***State Enhanced*** Education [~~Property~~] Tax Payment

16 Excess Education Property Tax Payment. Amend RSA 198:46, I to read as follows:

I. Municipalities for which the ***state enhanced*** education [~~property~~] tax exceeds the amount necessary to fund an adequate education determined by RSA 198:40 shall assess and remit such excess amount to the department of revenue administration on or before March 15 of the tax year in which the excess occurs.

17 Excess Education Property Tax Payment; Forms. Amend RSA 198:47 to read as follows:

198:47 Forms. The commissioner shall approve and provide forms relative to the reporting and

remitting of excess ***state enhanced*** education [~~property~~] tax by the municipalities.

18 Alternative Kindergarten Programs. Amend RSA 198:48-a, VII-VIII to read as follows:

VII.(a) [~~Upon the effective date of this paragraph, and for~~] ***For*** each fiscal year through June 30, 2003, an adequate education grant of $1200 per pupil shall be distributed to school districts, from the education trust fund created in RSA 198:39, for the education of its resident kindergarten pupils enrolled in an approved alternative kindergarten program established under this section.

(b) Once pupils enrolled in an approved alternative kindergarten program have been counted in the average daily membership in residence, school districts shall receive, for each such pupil, an adequate education grant calculated in accordance with [~~RSA 198:40 through RSA 198:42~~] ***RSA 198:41.***

VIII. Notwithstanding the provisions of this section, alternative kindergarten programs which were approved and in effect prior to April 29, 1999 may continue to operate and shall continue to receive per pupil adequate education grant amounts in accordance with RSA [~~198:40 through RSA 198:42~~] ***198:41.***

19 School Boards, Teachers; Definitions Amended. RSA 189:1-d is repealed and reenacted to read as follows:

189:1-d Definitions. In this chapter:

I. "Attendance" means full-time participation in a program of instruction under the direction of a teacher employed by the school district. Educationally disabled home educated pupils educated at school district expense under the direction of a teacher employed by the school district shall be included.

II. "Membership" means pupils of whom attendance is expected, whether a pupil is present or absent on any given day.

III. "Average daily membership in attendance" means the aggregate half-day membership of pupils attending schools operated by a school district divided by the number of half-days of instruction offered. The average daily membership in attendance for preschool and kindergarten pupils shall be divided by the number of instructional days offered to higher level elementary grades.

IV. "Average daily membership in residence" means the average daily membership in attendance of pupils who are legal residents of the school district pursuant to RSA 193:12 or RSA 193:27, IV and are attending any public school, or who are attending any charter school or private school program approved by the department of education at the expense of the school district.

20 Procedure for Formation of Cooperative School Districts; Apportioning Operating Expenses; Exclusion of Home Education Pupils Deleted. Amend RSA 195:18, III(e) to read as follows:

(e) The method of apportioning the operating expenses of the cooperative school district among the several preexisting districts and the time and manner of payment of such shares. [~~Home education pupils who do not receive services from the cooperative school district, except an evaluation pursuant to RSA 193-A:6, II shall not be included in the average daily membership~~

~~relative to apportionment formulas.~~]

21 Procedure for Formation of Cooperative School Districts; Apportioning Capital Expenses; Exclusion of Home Education Pupils Deleted. Amend RSA 195:18, III(g) to read as follows:

(g) The method of apportioning the capital expenses of the cooperative school district among the several preexisting districts, which need not be the same as the method for apportioning operating expenses, and the time and manner of payment of such shares. Capital expenses shall include the costs of acquiring land and buildings for school purposes, including property owned by a preexisting district; the construction, furnishing, and equipping of school buildings and facilities; and the payment of the principal and interest of any indebtedness which is incurred to pay for the same or which is assumed by the cooperative school district. [~~Home education pupils who do not receive services from the cooperative school district, except an evaluation pursuant to RSA 193-A:6, II, shall not be included in the average daily membership relative to apportionment formulas.~~]

22 Effective Date.

I. Section 2 of this act shall take effect July 1, 2004.

II. Sections 4-7 and 11-18 of this act shall take effect July 1, 2004.

III. Section 3 of this act shall take effect July 1, 2005.

IV. RSA 198:40-b and RSA 198:40-c, I(c), as inserted by section 10 of this act shall take effect July 1, 2004.

V. The remainder of this act shall take effect July 1, 2003.

LBAO
03-0045
Amended 5/6/03

HB 608 FISCAL NOTE

AN ACT reducing the education property tax rate and relative to the calculation of adequate education grants.

FISCAL IMPACT:

The Department of Education indicates this bill, as amended by the House (House Amendment #2003-1105h), will decrease state education trust fund revenue by $84,665,672 in FY 2004, $112,220,500 in FY 2005, $140,391,078 in FY 2006, and $168,022,875 in FY 2007. State education trust fund expenditures and local revenue will decrease by $60,523,576 in FY 2004, $36,742,486 in FY 2005, $156,784,027 in FY 2006, and $135,265,463 in FY 2007. There will be no fiscal impact on county revenue or county and local expenditures.

This bill appropriates $10 million in FY 2004, $15 million in FY 2005, $20 million in FY 2006, and $20 million in FY 2007 in general funds to the Education Trust Fund for the purposes of this act.

METHODOLOGY:

The Department indicates this bill will result in an annual decrease in the statewide property tax rate starting in FY 2004 continuing through FY 2007. The statewide property tax rate will drop from the current rate of $5.80 to $4.92 in FY 2004, $4.72 in FY 2005, $4.52 in FY 2006, and $4.32 in FY 2007, and as a result, property tax revenue deposited into the education trust fund will decrease by $84,665,672 in FY 2004, $112,220,500 in FY 2005, $140,391,078 in FY 2006, and $168,022,875 in FY 2007. The Department of Education used Department of Revenue Administration estimates for growth in equalized valuation, 8% in 2005, 6% in 2006 and 4% in 2007.

The Department of Education made the following assumptions when estimating the impact of this bill:

- FY 2004 and 2005 amounts are based on actual data.
- Special education pupils used in the grant calculation will increase 1% from FY 2005 to 2006 and 1% from FY 2006 to 2007.

- Elementary Average Daily Membership in Residence (ADM-R) will decline .5% from FY 2005 to 2006 and 1% from FY 2006 to 2007.
- High School ADM-R will increase 2.5% from FY 2005 to 2006 and 1% from FY 2006 to 2007.
- Free and reduced lunch pupils will remain constant at FY 2005 levels.
- The base cost will increase by 16%.
- CPI average annual increases will be 2.5%.
- Home school enrollment will remain constant at 3,000, and 10% are assumed to enroll in one co-curricular activity and 10% in an academic course.
- Special education transportation costs are not included in the cost of transportation.

As a result of the changes in this bill, the cost of adequacy, and therefor, state education trust fund expenditures and local revenue, will decrease as follows:

CURRENT LAW	FY 2004	FY 2005	FY 2006	FY 2007
Weighted Pupils	255,659.10	258,036.60	259,408.40	258,884.70
Base Cost	$3,556	$3,556	$4,125	$4,125
Subtotal	$909,123,760	$917,578,150	$1,070,059,650	$1,067,899,388
Transportation	46,461,400	50,759,534	55,327,892	59,896,250
Adjustment	(42,344)	(33,075)	(68,952)	(72,070)
Cost of Adequacy	$955,542,816	$968,304,609	$1,125,318,590	$1,127,723,568
HB 608				
Weighted Pupils	251,635.30	253,865.30	255,289.60	254,792.40
Base Cost	$3,390	$3,478	$3,572	$3,661
Subtotal	$853,043,667	$882,943,513	$911,894,451	$ 932,794,976
Transportation	32,012,656	33,647,382	36,675,643	39,703,911
Adjustment	(37,083)	(28,772)	(35,531)	(40,782)
Target Aid	10,000,000	15,000,000	20,000,000	20,000,000
Cost of Adequacy	$895,019,240	$931,562,123	$968,534,563	$992,458,105
Reduction in Expenditures	$60,523,576	$36,742,486	$156,784,027	$135,265,463

HB 608-FN-LOCAL – AS AMENDED BY THE SENATE

12mar03... 0139h
10apr03... 1105h
05/22/03 1656s
06/05/03 1982s

2003 SESSION

03-0045
04/09

HOUSE BILL *608-FN-LOCAL*

AN ACT relative to the funding of public education.

SPONSORS: Rep. Hess, Merr 37; Rep. Kurk, Hills 48; Sen. O'Hearn, Dist 12; Sen. Clegg, Dist 14

COMMITTEE: Ways and Means

AMENDED ANALYSIS

This bill:

I. Reduces the education property tax rate from $5.80 to $4.87 for the 2004 fiscal year and to $3.26 for the 2005 fiscal year.

II. Beginning July 1, 2005, establishes a new education funding formula for municipalities and sets forth criteria whereby municipalities may receive local equalized aid, targeted per pupil aid, and state enhanced education aid for pupils in the public schools.

III. Establishes a new procedure for determining the statewide cost of an adequate education.

IV. Sets the average base cost per pupil for the 2004 fiscal year at $3,311.

Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

HB 608-FN-LOCAL – AS AMENDED BY THE SENATE

12mar03... 0139h
10apr03... 1105h
05/22/03 1656s
06/05/03 1982s

03-0045
04/09

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Three

AN ACT relative to the funding of public education.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 Education Property Tax; Rate Reduced. Amend RSA 76:3 to read as follows:

76:3 Education Property Tax. An annual education property tax at the uniform rate of [~~$5.80~~] ***$4.87*** on each $1000 of the value of taxable property is hereby imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F.

2 State Enhanced Education Tax. RSA 76:3 is repealed and reenacted to read as follows:

76:3 State Enhanced Education Tax. An annual state enhanced education tax at the uniform rate of $3.26 on each $1,000 of the value of taxable property is hereby imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F.

3 State Enhanced Education Tax. RSA 76:3 is repealed and reenacted to read as follows:

76:3 State Enhanced Education Tax. Beginning July 1, 2005, and every fiscal year thereafter, the state enhanced education tax rate shall be determined in accordance with the calculation set forth in RSA 198:40-b, and such rate shall be imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F. The commissioner of the department of revenue administration shall set the rate which shall be effective for the fiscal year in which the calculation is made.

4 Assessment; Commissioner's Warrant; Commissioner's Report. Amend RSA 76:8 and 76:9 to read as follows:

76:8 Commissioner's Warrant.

I. The commissioner of revenue administration shall annually calculate the proportion of ***state enhanced*** education [~~property~~] tax to be raised by each municipality by multiplying the uniform education property tax rate by the total equalized value of all property in the municipality as determined under RSA 21-J:3, XIII for the preceding year, except property taxable under RSA 82 or RSA 83-F.

II. The commissioner shall issue a warrant under the commissioner's hand and official seal for the amount computed in paragraph I to the selectmen or assessors of each municipality by December 15 directing them to assess such sum and pay it to the municipality for the use of the school district or districts and, if there is an excess ***state enhanced*** education tax payment due

pursuant to RSA 198:46, directing them to assess the amount of the excess payment and pay it to the department of revenue administration for deposit in the education trust fund. Such sums shall be assessed at such times as may be prescribed for other taxes assessed by such selectmen or assessors of the municipality.

III. Municipalities are authorized to assess local property taxes necessary to fund school district appropriations not funded by the ***state enhanced*** education [~~property~~] tax, by distributions from the education trust fund under RSA 198:39, or by other revenue sources.

76:9 Commissioner's Report. The commissioner of revenue administration shall report to the governor, the speaker of the house of representatives, the president of the senate, and the commissioner of education each year on or before October 1, a statement of the ***state enhanced*** education [~~property~~] tax warrants to be issued for the tax year commencing April 1 of the succeeding year.

5 Utility Property Tax; Exemption. Amend RSA 83-F:9 to read as follows:

83-F:9 Exemption From State ***Enhanced*** Education [~~Property~~] Tax. Persons and property subject to taxation under this chapter shall not be subject to tax under RSA 76:3; provided, however, that nothing in this chapter shall be construed to exempt such persons or property from local school, municipal, district, or county taxation under RSA 76.

6 School Money; Education Trust Fund. Amend the introductory paragraph of RSA 198:39, I to read as follows:

I. The state treasurer shall establish an education trust fund in the treasury. Moneys in such fund shall not be used for any purpose other than to distribute adequate education grants to municipalities' school districts pursuant to RSA 198:42, and to provide ***state enhanced*** education [~~property~~] tax hardship relief under RSA 198:55. The state treasurer shall deposit into this fund immediately upon receipt:

7 School Money; Education Trust Fund. Amend RSA 198:39, I(g) to read as follows:

(g) The full amount of excess ***state enhanced*** education [~~property~~] tax payments from the department of revenue administration pursuant to RSA 198:46.

8 State Aid for Educational Adequacy; Definitions. RSA 198:38 is repealed and reenacted to read as follows:

198:38 Definitions. In this subdivision:

I. "Municipality" means a city, town, or unincorporated place.

II. "School district" means school district as defined in RSA 194:1 or RSA 195:1.

III. "Elementary school" means a school with any of the grades kindergarten through 8.

IV. "High school" means a school with any of the grades 9 through 12.

V. "Department" means the department of education.

VI. "Educationally disabled child" or "educationally disabled pupil" means an educationally disabled child as defined in RSA 186-C:2, I.

VII. "Average daily membership in attendance" means average daily membership in attendance as defined in RSA 189:1-d, III.

VIII. "Average daily membership in residence" and "resident pupils" mean the average daily membership in residence as defined in RSA 189:1-d, IV, except that no kindergarten pupil shall count as more than 1/2 day attendance per calendar day. Children who are home schooled pursuant to a home education program approved by the department in accordance with RSA 193-A shall not be included in this definition.

IX. "Transportation cost" means the cost of transporting pupils in grades kindergarten through grade 8 to and from school as reported by school districts on the DOE-25 form.

X. "Free or reduced-price meal" means the number of pupils in a school district in grades 1 through 12 who are eligible to receive a free or reduced-priced meal.

XI. "Calculated rate" means the total revenue raised statewide by the local education tax multiplied by 1000, and then divided by the total statewide equalized valuation.

9 State Aid for Educational Adequacy; Local Equalization Aid; Per Pupil Valuation. RSA 198:40 is repealed and reenacted to read as follows:

198:40 Local Equalization Aid. Beginning July 1, 2004, and every fiscal year thereafter, local equalization aid shall be calculated by the department as follows:

I. The total statewide equalized valuation of all municipalities including utilities, as determined by the department of revenue administration, shall be divided by the total statewide average daily membership in residence. The result shall be the statewide average equalized valuation per pupil.

II. The equalized valuation of all property in a municipality including utilities, as determined by the department of revenue administration, shall be divided by the average daily membership in residence in the municipality. The result shall be the local equalized valuation per pupil.

III. Eligibility for local equalization aid under this paragraph shall be determined as follows:

(a) If a municipality's local equalized valuation per pupil as calculated in paragraph II is equal to, or greater than, the statewide average equalized valuation per pupil as calculated in paragraph I, no local equalization aid shall be available.

(b) If a municipality's local equalized valuation per pupil as calculated in paragraph II is less than the statewide average equalized valuation per pupil as calculated in paragraph I, the municipality shall be entitled to receive local equalization aid in an amount equal to the following: subtract the local equalized valuation per pupil as calculated in paragraph II from the statewide average equalized valuation per pupil as calculated in paragraph I. This amount shall be multiplied by the calculated rate, and the product shall be divided by 1,000. The result shall be multiplied by the average daily membership in residence in such municipality and shall be available to a municipality as local equalization aid.

10 New Sections; Targeted Per Pupil Aid; State Enhanced Education Aid. Amend RSA 198 by inserting after section 40 the following new sections:

198:40-a Targeted Per Pupil Aid.

I. A municipality with a local equalized valuation per pupil as calculated in RSA 198:40, II, which is less than or equal to 200 percent of the statewide average equalized valuation per pupil, as calculated in RSA 198:40, I, shall be eligible to receive targeted per pupil aid for such municipality's transportation costs as reported on the DOE-25 form, and for such municipality's educationally disabled pupils, pupils eligible for free or reduced-price meals, and English for speakers of other languages which shall be determined by multiplying the statewide average equalized valuation per pupil, as calculated in RSA 198:40, I, by the calculated rate. The product shall be divided by 1,000 resulting in a per pupil amount which shall be available to a municipality as follows:

(a) The per pupil amount calculated in paragraph I shall be multiplied by the average daily membership in residence of educationally disabled pupils in the municipality. This amount shall be available as targeted aid for educationally disabled pupils in the municipality.

(b) The per pupil amount calculated in paragraph I shall be multiplied by the average daily membership in residence eligible to receive a free or reduced-price meal in grades 1 through 12 in the school district. This amount shall be available as targeted aid for pupils eligible to receive a free or reduced-price meal in the municipality.

(c) The per pupil amount calculated in paragraph I shall be multiplied by the average daily membership in attendance receiving English for speakers of other languages services in the municipality. This amount shall be available as targeted aid for pupils in the municipality receiving English for speakers of other languages. In this subparagraph "average daily membership in attendance" shall be as defined in RSA 189:1-d, III.

(d) A municipality eligible to receive targeted per pupil aid under this paragraph shall also receive 100 percent of transportation costs in such municipality.

II. A municipality with a local equalized valuation per pupil, as calculated in RSA 198:40, II, which is greater than 200 percent of the statewide average equalized valuation per pupil as calculated in RSA 198:40, I shall not receive targeted per pupil aid under this section.

198:40-b State Enhanced Education Aid. Beginning July 1, 2004, and every fiscal year thereafter, state enhanced education aid shall be calculated by the department as follows:

I. Divide the total statewide equalized valuation of all municipalities excluding utilities, as determined by the department of revenue administration, by the total statewide average daily membership in residence. The result shall be the statewide average equalized valuation per pupil.

II. Divide the equalized valuation of all property in a municipality excluding utilities, as determined by the department of revenue administration, by the average daily membership in residence in the municipality. The result shall be the local equalized valuation per pupil.

III. Eligibility for state enhanced education aid under this paragraph shall be determined as

follows:

(a) If a municipality's local equalized valuation per pupil as calculated in paragraph II is greater than or equal to the statewide average equalized valuation per pupil as calculated in paragraph I, no state enhanced aid shall be available.

(b) If a municipality's local equalized valuation per pupil as calculated in paragraph II is less than the statewide average equalized valuation per pupil as calculated in paragraph I, the municipality shall be entitled to receive state enhanced education aid in an amount equal to the following: subtract the local equalized valuation per pupil as calculated in paragraph II from the statewide average equalized valuation per pupil as calculated in paragraph I. This amount shall be multiplied by the state enhanced education tax imposed statewide in the fiscal year in which this calculation is made, and the product shall be divided by 1,000. The result shall be multiplied by the average daily membership in residence in such municipality and shall be available to a municipality as state enhanced education aid.

IV.(a) In any fiscal year, if the amount raised by the state enhanced education property tax in any municipality, except an unincorporated place or a town with an average daily membership in residence of one or less, exceeds the amount necessary to fund all local education costs, excluding repayment of bond principal and construction costs, as determined in such municipality's duly adopted school district budget, the excess shall be remitted to the department of revenue administration on or before March 15 of the tax year in which the excess occurs.

(b) The amount of such excess to be remitted shall not include any income derived from the investment of funds by the municipal treasurers under RSA 41:29 and RSA 48:16. Any funds remaining after full payment of the excess tax required in paragraph I shall become available for unrestricted use by the municipality.

(c) The commissioner of the department of revenue administration shall collect from the municipality the excess tax and pay the excess tax over to the state treasurer for deposit in the education trust fund established in RSA 198:39.

(d) The commissioner of the department of revenue administration shall calculate the excess amount owed by each municipality pursuant to paragraph I.

V. In any fiscal year, a municipality shall appropriate all state enhanced education aid funds received under this section to pay for local education costs before raising any additional local education tax revenues locally.

198:40-c Total State Aid for Education.

I. Beginning July 1, 2004, and every fiscal year thereafter, the total state aid for education shall be determined as follows:

(a) The sum total of all local equalization aid as calculated under RSA 198:40 paid to all municipalities statewide; plus

(b) The sum total of all targeted aid as calculated under RSA 198:40-a paid to all

municipalities statewide; plus

(c) The sum total of all state enhanced education aid as calculated under RSA 198:40-b.

II. In each fiscal year, the total aid calculated in paragraph I shall be adjusted by adding the average annual rate of inflation, as measured by the most recent available northeast region consumer price index for all urban consumers as published by the Bureau of Labor Statistics, United States Department of Labor. The resulting sum, expressed as a percentage, shall be added to 100 percent to yield an adjustment factor. The total state aid for education from the immediately preceding year shall be multiplied by the adjustment factor and the product shall be the adjusted total state aid for education.

III. In each fiscal year, the commissioner of the department of revenue administration shall determine, to the nearest cent, the state enhanced education tax rate that will match, as nearly as possible without exceeding, the amount raised statewide by the state enhanced education tax in fiscal year 2005.

IV. In any fiscal year in which the total state aid for education as calculated under this section would exceed the total state aid for education distributed to municipalities in the immediately preceding fiscal year as adjusted pursuant to paragraph II of this section, the total state aid for education shall be reduced to the amount distributed to municipalities in the immediately preceding fiscal year, as adjusted pursuant to paragraph II of this section, and the amount of the excess shall be deducted from each municipality's state enhanced education aid distributed under RSA 198:40-b on a pro rata basis. If in any fiscal year the total state enhanced education aid distributed to municipalities is insufficient to offset the excess, the remaining excess shall be deducted from each municipality's transportation aid on a pro rata basis.

11 Determination of Adequate Education Grants. RSA 198:41 is repealed and reenacted to read as follows:

198:41 Determination of Adequate Education Grants.

I. Except for municipalities where all school districts therein provide education to all of their pupils by paying tuition to other institutions, the department of education shall determine the amount of the adequate education grant for the municipality by adding all sums received by a municipality under RSA 198:40, RSA 198:40-a, and RSA 198:40-b, and subtracting from this sum the amount of the tax warrant issued by the commissioner of the department of revenue administration pursuant to RSA 76:9 for the next tax year.

II. For municipalities where all school districts therein provide education to all of their pupils by paying tuition to other institutions, the department of education shall determine the amount of the adequate education grant for each municipality as the lesser of the two following calculations:

(a) The amount calculated in accordance with paragraph I of this section; or

(b) The total amount paid for items of current education expense as determined by the

department of education minus the amount of the warrant to be issued by the commissioner of revenue administration for such municipality reported pursuant to RSA 76:9 for the next tax year.

12 School Money; Distribution of Adequate Education Grants. Amend RSA 198:42, II to read as follows:

II. For the fiscal year beginning July 1, 1999, and every fiscal year thereafter the amount necessary to fund the grants under RSA [~~198:41~~] ***198:40-c*** is hereby appropriated from the education trust fund created under RSA 198:39 to the department of education according to the following formula: from the amount calculated in accordance with RSA [~~198:40, III,~~] ***198:40-c,*** subtract the aggregate amount of the ***state enhanced*** education [~~property~~] tax warrants to be issued by the commissioner of revenue administration for municipalities reported pursuant to RSA 76:9 for the next tax year. The governor is authorized to draw a warrant from the education trust fund to satisfy the state's obligation under this section. Such warrant for payment shall be issued regardless of the balance of funds available in the education trust fund. If the balance in the education trust fund, after the issuance of any such warrant, is less than zero, the commissioner of the department of administrative services shall inform the fiscal committee and the governor and council of such balance. This reporting shall not in any way prohibit or delay the distribution of adequate education grants.

13 Low and Moderate Income Homeowners Property Tax Relief. Amend RSA 198:57, III(a) to read as follows:

(a) Owns a homestead or interest in a homestead subject to the ***state enhanced*** education [~~property~~] tax;

14 Low and Moderate Income Homeowners Property Tax Relief. Amend RSA 198:57, IV(c) to read as follows:

(c) Multiply the lesser of the amount determined in subparagraph (a) or (b) by the [~~current~~] state ***enhanced*** education [~~property~~] tax rate as shown on the tax bill under RSA 76:11-a;

15 Excess Education Property Tax Payment; Subdivision Heading Amended. Amend the subdivision heading immediately preceding RSA 198:46 to read as follows:

Excess ***State Enhanced*** Education [~~Property~~] Tax Payment

16 Excess Education Property Tax Payment. Amend RSA 198:46, I to read as follows:

I. Municipalities for which the ***state enhanced*** education [~~property~~] tax exceeds the amount necessary to fund an adequate education determined by RSA 198:40 shall assess and remit such excess amount to the department of revenue administration on or before March 15 of the tax year in which the excess occurs.

17 Excess Education Property Tax Payment; Forms. Amend RSA 198:47 to read as follows:

198:47 Forms. The commissioner shall approve and provide forms relative to the reporting and remitting of excess ***state enhanced*** education [~~property~~] tax by the municipalities.

18 Alternative Kindergarten Programs. Amend RSA 198:48-a, VII-VIII to read as follows:

VII.(a) [~~Upon the effective date of this paragraph, and for~~] ***For*** each fiscal year through June 30, 2003, an adequate education grant of $1200 per pupil shall be distributed to school districts, from the education trust fund created in RSA 198:39, for the education of its resident kindergarten pupils enrolled in an approved alternative kindergarten program established under this section.

(b) Once pupils enrolled in an approved alternative kindergarten program have been counted in the average daily membership in residence, school districts shall receive, for each such pupil, an adequate education grant calculated in accordance with [~~RSA 198:40 through RSA 198:42~~] ***RSA 198:41.***

VIII. Notwithstanding the provisions of this section, alternative kindergarten programs which were approved and in effect prior to April 29, 1999 may continue to operate and shall continue to receive per pupil adequate education grant amounts in accordance with RSA [~~198:40 through RSA 198:42~~] ***198:41.***

19 School Boards, Teachers; Definitions Amended. RSA 189:1-d is repealed and reenacted to read as follows:

189:1-d Definitions. In this chapter:

I. "Attendance" means full-time participation in a program of instruction under the direction of a teacher employed by the school district. Educationally disabled home educated pupils educated at school district expense under the direction of a teacher employed by the school district shall be included.

II. "Membership" means pupils of whom attendance is expected, whether a pupil is present or absent on any given day.

III. "Average daily membership in attendance" means the aggregate half-day membership of pupils attending schools operated by a school district divided by the number of half-days of instruction offered. The average daily membership in attendance for preschool and kindergarten pupils shall be divided by the number of instructional days offered to higher level elementary grades.

IV. "Average daily membership in residence" means the average daily membership in attendance of pupils who are legal residents of the school district pursuant to RSA 193:12 or RSA 193:27, IV and are attending any public school, or who are attending any charter school or private school program approved by the department of education at the expense of the school district.

20 Procedure for Formation of Cooperative School Districts; Apportioning Operating Expenses; Exclusion of Home Education Pupils Deleted. Amend RSA 195:18, III(e) to read as follows:

(e) The method of apportioning the operating expenses of the cooperative school district among the several preexisting districts and the time and manner of payment of such shares. [~~Home education pupils who do not receive services from the cooperative school district, except an evaluation pursuant to RSA 193-A:6, II shall not be included in the average daily membership relative to apportionment formulas.~~]

21 Procedure for Formation of Cooperative School Districts; Apportioning Capital Expenses;

Exclusion of Home Education Pupils Deleted. Amend RSA 195:18, III(g) to read as follows:

(g) The method of apportioning the capital expenses of the cooperative school district among the several preexisting districts, which need not be the same as the method for apportioning operating expenses, and the time and manner of payment of such shares. Capital expenses shall include the costs of acquiring land and buildings for school purposes, including property owned by a preexisting district; the construction, furnishing, and equipping of school buildings and facilities; and the payment of the principal and interest of any indebtedness which is incurred to pay for the same or which is assumed by the cooperative school district. [~~Home education pupils who do not receive services from the cooperative school district, except an evaluation pursuant to RSA 193-A:6, II, shall not be included in the average daily membership relative to apportionment formulas.~~]

22 Average Base Cost Per Pupil; Fiscal Year 2004. Notwithstanding the provisions of RSA 198:40, the average base cost per pupil for the fiscal year ending June 30, 2004 shall be $3,311.

23 Effective Date.

I. Section 2 of this act shall take effect July 1, 2004.

II. Sections 4-7 and 10-18 of this act, and RSA 198:38, VII as inserted by section 8 of this act shall take effect July 1, 2004.

III. Section 3 of this act and IX-X as inserted by section 8 of this act shall take effect July 1, 2005.

IV. RSA 198:40-b and RSA 198:40-c, I(c), as inserted by section 10 of this act shall take effect July 1, 2004.

V. The remainder of this act shall take effect July 1, 2003.

LBAO
03-0045
Amended 5/6/03

HB 608 FISCAL NOTE

AN ACT reducing the education property tax rate and relative to the calculation of adequate education grants.

FISCAL IMPACT:

The Department of Education indicates this bill, as amended by the House (**House Amendment #2003-1105h**), will decrease state education trust fund revenue by $84,665,672 in FY 2004, $112,220,500 in FY 2005, $140,391,078 in FY 2006, and $168,022,875 in FY 2007. State education trust fund expenditures and local revenue will decrease by $60,523,576 in FY 2004, $36,742,486 in FY 2005, $156,784,027 in FY 2006, and $135,265,463 in FY 2007. There will be no fiscal impact on county revenue or county and local expenditures.

This bill appropriates $10 million in FY 2004, $15 million in FY 2005, $20 million in FY 2006, and $20 million in FY 2007 in general funds to the Education Trust Fund for the purposes of this act.

METHODOLOGY:

The Department indicates this bill will result in an annual decrease in the statewide property tax rate starting in FY 2004 continuing through FY 2007. The statewide property tax rate will drop from the current rate of $5.80 to $4.92 in FY 2004, $4.72 in FY 2005, $4.52 in FY 2006, and $4.32 in FY 2007, and as a result, property tax revenue deposited into the education trust fund will decrease by $84,665,672 in FY 2004, $112,220,500 in FY 2005, $140,391,078 in FY 2006, and $168,022,875 in FY 2007. The Department of Education used Department of Revenue Administration estimates for growth in equalized valuation, 8% in 2005, 6% in 2006 and 4% in 2007.

The Department of Education made the following assumptions when estimating the impact of this bill:

- FY 2004 and 2005 amounts are based on actual data.
- Special education pupils used in the grant calculation will increase 1% from FY 2005 to 2006 and 1% from FY 2006 to 2007.

- Elementary Average Daily Membership in Residence (ADM-R) will decline .5% from FY 2005 to 2006 and 1% from FY 2006 to 2007.
- High School ADM-R will increase 2.5% from FY 2005 to 2006 and 1% from FY 2006 to 2007.
- Free and reduced lunch pupils will remain constant at FY 2005 levels.
- The base cost will increase by 16%.
- CPI average annual increases will be 2.5%.
- Home school enrollment will remain constant at 3,000, and 10% are assumed to enroll in one co-curricular activity and 10% in an academic course.
- Special education transportation costs are not included in the cost of transportation.

As a result of the changes in this bill, the cost of adequacy, and therefor, state education trust fund expenditures and local revenue, will decrease as follows:

CURRENT LAW	FY 2004	FY 2005	FY 2006	FY 2007
Weighted Pupils	255,659.10	258,036.60	259,408.40	258,884.70
Base Cost	$3,556	$3,556	$4,125	$4,125
Subtotal	$909,123,760	$917,578,150	$1,070,059,650	$1,067,899,388
Transportation	46,461,400	50,759,534	55,327,892	59,896,250
Adjustment	(42,344)	(33,075)	(68,952)	(72,070)
Cost of Adequacy	$955,542,816	$968,304,609	$1,125,318,590	$1,127,723,568
HB 608				
Weighted Pupils	251,635.30	253,865.30	255,289.60	254,792.40
Base Cost	$3,390	$3,478	$3,572	$3,661
Subtotal	$853,043,667	$882,943,513	$911,894,451	$ 932,794,976
Transportation	32,012,656	33,647,382	36,675,643	39,703,911
Adjustment	(37,083)	(28,772)	(35,531)	(40,782)
Target Aid	10,000,000	15,000,000	20,000,000	20,000,000
Cost of Adequacy	$895,019,240	$931,562,123	$968,534,563	$992,458,105
Reduction in Expenditures	$60,523,576	$36,742,486	$156,784,027	$135,265,463

Amendments

Sen. Gallus, Dist. 1
Sen. Johnson, Dist. 2
Sen. Kenney, Dist. 3
Sen. Green, Dist. 6
Sen. Flanders, Dist. 7
Sen. Roberge, Dist. 9
Sen. O'Hearn, Dist. 12
Sen. Clegg, Dist. 14
Sen. Gatsas, Dist. 16
Sen. Barnes, Dist. 17
Sen. Martel, Dist. 18
Sen. Sapareto, Dist. 19
Sen. Morse, Dist. 22
Sen. Prescott, Dist. 23
May 14, 2003
2003-1630s
04/09

Amendment to HB 608-FN-LOCAL

Amend the title of the bill by replacing it with the following:

AN ACT relative to the funding of public education.

Amend the bill by replacing all after the enacting clause with the following:

1 Education Property Tax; Rate Reduced. Amend RSA 76:3 to read as follows:

76:3 Education Property Tax. An annual education property tax at the uniform rate of [~~$5.80~~] ***$4.87*** on each $1000 of the value of taxable property is hereby imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F.

2 State Enhanced Education Tax. RSA 76:3 is repealed and reenacted to read as follows:

76:3 State Enhanced Education Tax. An annual state enhanced education tax at the uniform rate of $3.50 on each $1,000 of the value of taxable property is hereby imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F.

3 State Enhanced Education Tax. RSA 76:3 is repealed and reenacted to read as follows:

76:3 State Enhanced Education Tax. Beginning July 1, 2005, and every fiscal year thereafter, the state enhanced education tax rate shall be determined in accordance with the calculation set forth in RSA 198:40-b, and such rate shall be imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F. The commissioner of the department of revenue administration shall set the rate which shall be effective for the fiscal year in which the calculation is made.

4 Assessment; Commissioner's Warrant; Commissioner's Report. Amend RSA 76:8 and 76:9 to

read as follows:

76:8 Commissioner's Warrant.

I. The commissioner of revenue administration shall annually calculate the proportion of ***state enhanced*** education [~~property~~] tax to be raised by each municipality by multiplying the uniform education property tax rate by the total equalized value of all property in the municipality as determined under RSA 21-J:3, XIII for the preceding year, except property taxable under RSA 82 or RSA 83-F.

II. The commissioner shall issue a warrant under the commissioner's hand and official seal for the amount computed in paragraph I to the selectmen or assessors of each municipality by December 15 directing them to assess such sum and pay it to the municipality for the use of the school district or districts and, if there is an excess ***state enhanced*** education tax payment due pursuant to RSA 198:46, directing them to assess the amount of the excess payment and pay it to the department of revenue administration for deposit in the education trust fund. Such sums shall be assessed at such times as may be prescribed for other taxes assessed by such selectmen or assessors of the municipality.

III. Municipalities are authorized to assess local property taxes necessary to fund school district appropriations not funded by the ***state enhanced*** education [~~property~~] tax, by distributions from the education trust fund under RSA 198:39, or by other revenue sources.

76:9 Commissioner's Report. The commissioner of revenue administration shall report to the governor, the speaker of the house of representatives, the president of the senate, and the commissioner of education each year on or before October 1, a statement of the ***state enhanced*** education [~~property~~] tax warrants to be issued for the tax year commencing April 1 of the succeeding year.

5 Utility Property Tax; Exemption. Amend RSA 83-F:9 to read as follows:

83-F:9 Exemption From State ***Enhanced*** Education [~~Property~~] Tax. Persons and property subject to taxation under this chapter shall not be subject to tax under RSA 76:3; provided, however, that nothing in this chapter shall be construed to exempt such persons or property from local school, municipal, district, or county taxation under RSA 76.

6 School Money; Education Trust Fund. Amend the introductory paragraph of RSA 198:39, I to read as follows:

I. The state treasurer shall establish an education trust fund in the treasury. Moneys in such fund shall not be used for any purpose other than to distribute adequate education grants to municipalities' school districts pursuant to RSA 198:42, and to provide ***state enhanced*** education [~~property~~] tax hardship relief under RSA 198:55. The state treasurer shall deposit into this fund immediately upon receipt:

7 School Money; Education Trust Fund. Amend RSA 198:39, I(g) to read as follows:

(g) The full amount of excess ***state enhanced*** education [~~property~~] tax payments from

the department of revenue administration pursuant to RSA 198:46.

8 State Aid for Educational Adequacy; Definitions. RSA 198:38 is repealed and reenacted to read as follows:

198:38 Definitions. In this subdivision:

I. "Municipality" means a city, town, or unincorporated place.

II. "School district" means school district as defined in RSA 194:1 or RSA 195:1.

III. "Elementary school" means a school with any of the grades kindergarten through 8.

IV. "High school" means a school with any of the grades 9 through 12.

V. "Department" means the department of education.

VI. "Educationally disabled child" or "educationally disabled pupil" means an educationally disabled child as defined in RSA 186-C:2, I.

VII. "Average daily membership in attendance" means average daily membership in attendance as defined in RSA 189:1-d, III.

VIII. "Average daily membership in residence" and "resident pupils" mean the average daily membership in residence as defined in RSA 189:1-d, IV, except that no kindergarten pupil shall count as more than 1/2 day attendance per calendar day. Children who are home schooled pursuant to a home education program approved by the department in accordance with RSA 193-A shall not be included in this definition.

IX. "Transportation cost" means the cost of transporting pupils in grades kindergarten through grade 8 to and from school as reported by school districts on the DOE-25 form.

X. "Free or reduced-price meal" means the number of pupils in a school district in grades 1 through 12 who are eligible to receive a free or reduced-priced meal shall be calculated by multiplying each municipality's elementary average daily membership in residence by the percentage of elementary pupils eligible to receive a free or reduced-price meal in the district of residence.

9 State Aid for Educational Adequacy; Local Equalization Aid; Per Pupil Valuation. RSA 198:40 is repealed and reenacted to read as follows:

198:40 Local Equalization Aid. Beginning July 1, 2004, and every fiscal year thereafter, local equalization aid shall be calculated by the department as follows:

I. The total statewide equalized valuation of all municipalities including utilities, as determined by the department of revenue administration, shall be divided by the total statewide average daily membership in residence. The result shall be the statewide average equalized valuation per pupil.

II. The equalized valuation of all property in a municipality including utilities, as determined by the department of revenue administration, shall be divided by the average daily membership in residence in the municipality. The result shall be the local equalized valuation per pupil.

III. Eligibility for local equalization aid under this paragraph shall be determined as follows:

(a) If a municipality's local equalized valuation per pupil as calculated in paragraph II is equal to, or greater than, the statewide average equalized valuation per pupil as calculated in paragraph I, no local equalization aid shall be available.

(b) If a municipality's local equalized valuation per pupil as calculated in paragraph II is less than the statewide average equalized valuation per pupil as calculated in paragraph I, the municipality shall be entitled to receive local equalization aid in an amount equal to the following: subtract the local equalized valuation per pupil as calculated in paragraph II from the statewide average equalized valuation per pupil as calculated in paragraph I. This amount shall be multiplied by the average local education tax rate imposed statewide in the fiscal year in which this calculation is made, and the product shall be divided by 1,000. The result shall be multiplied by the average daily membership in residence in such municipality and shall be available to a municipality as local equalization aid.

10 New Sections; Targeted Per Pupil Aid; State Enhanced Education Aid. Amend RSA 198 by inserting after section 40 the following new sections:

198:40-a Targeted Per Pupil Aid.

I. A municipality with a local equalized valuation per pupil as calculated in RSA 198:40, II, which is less than or equal to 200 percent of the statewide average equalized valuation per pupil, as calculated in RSA 198:40, I, shall be eligible to receive targeted per pupil aid for such municipality's educationally disabled pupils, pupils eligible for free or reduced-price meals, English for speakers of other languages, and for such municipality's transportation costs which shall be determined by multiplying the statewide average equalized valuation per pupil, as calculated in RSA 198:40, I, by the average local education tax rate imposed statewide in the fiscal year in which this calculation is made. The product shall be divided by 1,000 resulting in a per pupil amount which shall be available to a municipality as follows:

(a) The per pupil amount calculated in paragraph I shall be multiplied by the average daily membership in residence of educationally disabled pupils in the municipality. This amount shall be available as targeted aid for educationally disabled pupils in the municipality.

(b) The per pupil amount calculated in paragraph I shall be multiplied by the average daily membership in residence eligible to receive a free or reduced-price meal in kindergarten through grade 12 in the school district. This amount shall be available as targeted aid for pupils eligible to receive a free or reduced-price meal in the municipality.

(c) The per pupil amount calculated in paragraph I shall be multiplied by the average daily membership in attendance receiving English for speakers of other languages services in the municipality. This amount shall be available as targeted aid for pupils in the municipality receiving English for speakers of other languages. In this subparagraph "average daily membership in attendance" shall be as defined in RSA 189:1-d, III.

(d) A municipality eligible to receive targeted per pupil aid under this paragraph shall also receive 100 percent of transportation costs in such municipality.

II. A municipality with a local equalized valuation per pupil, as calculated in RSA 198:40, II, which is greater than 200 percent of the statewide average equalized valuation per pupil as calculated in RSA 198:40, I shall not receive targeted per pupil aid under this section.

198:40-b State Enhanced Education Aid. Beginning July 1, 2005, and every fiscal year thereafter, state enhanced education aid shall be calculated by the department as follows:

I. Divide the total statewide equalized valuation of all municipalities excluding utilities, as determined by the department of revenue administration, by the total statewide average daily membership in residence. The result shall be the statewide average equalized valuation per pupil.

II. Divide the equalized valuation of all property in a municipality excluding utilities, as determined by the department of revenue administration, by the average daily membership in residence in the municipality. Multiply the result by the state enhanced education tax rate imposed in the fiscal year in which this calculation is made, and divide the product by 1,000. The result shall be the local equalized valuation per pupil.

III. Eligibility for state enhanced education aid under this paragraph shall be determined as follows:

(a) If a municipality's local equalized valuation per pupil as calculated in paragraph II is greater than or equal to the statewide average equalized valuation per pupil as calculated in paragraph I, no state enhanced aid shall be available.

(b) If a municipality's local equalized valuation per pupil as calculated in paragraph II is less than the statewide average equalized valuation per pupil as calculated in paragraph I, the municipality shall be entitled to receive state enhanced education aid in an amount equal to the following: subtract the local equalized valuation per pupil as calculated in paragraph II from the statewide average equalized valuation per pupil as calculated in paragraph I. This amount shall be multiplied by the state enhanced education tax imposed statewide in the fiscal year in which this calculation is made, and the product shall be divided by 1,000. The result shall be multiplied by the average daily membership in residence in such municipality and shall be available to a municipality as state enhanced education aid.

IV.(a) In any fiscal year, if the amount raised by the state enhanced education property tax in any municipality, except an unincorporated place or a town with an average daily membership in residence of one or less, exceeds the amount necessary to fund all local education costs as determined in such municipality's duly adopted school district budget, the excess shall be remitted to the department of revenue administration on or before March 15 of the tax year in which the excess occurs.

(b) The amount of such excess to be remitted shall not include any income derived from the investment of funds by the municipal treasurers under RSA 41:29 and RSA 48:16. Any funds

remaining after full payment of the excess tax required in paragraph I shall become available for unrestricted use by the municipality.

(c) The commissioner of the department of revenue administration shall collect from the municipality the excess tax and pay the excess tax over to the state treasurer for deposit in the education trust fund established in RSA 198:39.

(d) The commissioner of the department of revenue administration shall calculate the excess amount owed by each municipality pursuant to paragraph I.

V. In any fiscal year, a municipality shall appropriate all state enhanced education aid funds received under this section to pay for local education costs before raising any additional local education tax revenues locally.

198:40-c Total State Aid for Education.

I. Beginning July 1, 2004, and every fiscal year thereafter, the total state aid for education shall be determined as follows:

(a) The sum total of all local equalization aid as calculated under RSA 198:40 paid to all municipalities statewide; plus

(b) The sum total of all targeted aid as calculated under RSA 198:40-a paid to all municipalities statewide; plus

(c) The sum total of all state enhanced education aid as calculated under RSA 198:40-b.

II. In each fiscal year, the total aid calculated in paragraph I shall be adjusted by adding the average annual rate of inflation, as measured by the most recent available northeast region consumer price index for all urban consumers as published by the Bureau of Labor Statistics, United States Department of Labor. The resulting sum, expressed as a percentage, shall be added to 100 percent to yield an adjustment factor. The total state aid for education from the immediately preceding year shall be multiplied by the adjustment factor and the product shall be the adjusted total state aid for education.

III. In each fiscal year, the commissioner of the department of revenue administration shall determine, to the nearest cent, the state enhanced education tax rate that will match, as nearly as possible without exceeding, the amount raised statewide by the state enhanced education tax in fiscal year 2005.

IV. In any fiscal year in which the total state aid for education as calculated under this section would exceed the total state aid for education distributed to municipalities in the immediately preceding fiscal year as adjusted pursuant to paragraph II of this section, the total state aid for education shall be reduced to the amount distributed to municipalities in the immediately preceding fiscal year, as adjusted pursuant to paragraph II of this section, and the amount of the excess shall be deducted from each municipality's total state aid on a pro rata basis.

11 Determination of Adequate Education Grants. RSA 198:41 is repealed and reenacted to read as follows:

198:41 Determination of Adequate Education Grants.

I. Except for municipalities where all school districts therein provide education to all of their pupils by paying tuition to other institutions, the department of education shall determine the amount of the adequate education grant for the municipality adding the all sums received by a municipality under RSA 198:40, RSA 198:40-a, and RSA 198:40-b, and subtracting from the sum the amount of the tax warrant issued by the commissioner of the department of revenue administration pursuant to RSA 76:9 for the next tax year.

II. For municipalities where all school districts therein provide education to all of their pupils by paying tuition to other institutions, the department of education shall determine the amount of the adequate education grant for each municipality as the lesser of the two following calculations:

(a) The amount calculated in accordance with paragraph I of this section; or

(b) The total amount paid for items of current education expense as determined by the department of education minus the amount of the warrant to be issued by the commissioner of revenue administration for such municipality reported pursuant to RSA 76:9 for the next tax year.

12 School Money; Distribution of Adequate Education Grants. Amend RSA 198:42, II to read as follows:

II. For the fiscal year beginning July 1, 1999, and every fiscal year thereafter the amount necessary to fund the grants under RSA [~~198:41~~] ***198:40-c*** is hereby appropriated from the education trust fund created under RSA 198:39 to the department of education according to the following formula: from the amount calculated in accordance with RSA [~~198:40, III,~~] ***198:40-c,*** subtract the aggregate amount of the ***state enhanced*** education [~~property~~] tax warrants to be issued by the commissioner of revenue administration for municipalities reported pursuant to RSA 76:9 for the next tax year. The governor is authorized to draw a warrant from the education trust fund to satisfy the state's obligation under this section. Such warrant for payment shall be issued regardless of the balance of funds available in the education trust fund. If the balance in the education trust fund, after the issuance of any such warrant, is less than zero, the commissioner of the department of administrative services shall inform the fiscal committee and the governor and council of such balance. This reporting shall not in any way prohibit or delay the distribution of adequate education grants.

13 Low and Moderate Income Homeowners Property Tax Relief. Amend RSA 198:57, III(a) to read as follows:

(a) Owns a homestead or interest in a homestead subject to the ***state enhanced*** education [~~property~~] tax;

14 Low and Moderate Income Homeowners Property Tax Relief. Amend RSA 198:57, IV(c) to read as follows:

(c) Multiply the lesser of the amount determined in subparagraph (a) or (b) by the

[~~current~~] state ***enhanced*** education [~~property~~] tax rate as shown on the tax bill under RSA 76:11-a;

15 Excess Education Property Tax Payment; Subdivision Heading Amended. Amend the subdivision heading immediately preceding RSA 198:46 to read as follows:

Excess ***State Enhanced*** Education [~~Property~~] Tax Payment

16 Excess Education Property Tax Payment. Amend RSA 198:46, I to read as follows:

I. Municipalities for which the ***state enhanced*** education [~~property~~] tax exceeds the amount necessary to fund an adequate education determined by RSA 198:40 shall assess and remit such excess amount to the department of revenue administration on or before March 15 of the tax year in which the excess occurs.

17 Excess Education Property Tax Payment; Forms. Amend RSA 198:47 to read as follows:

198:47 Forms. The commissioner shall approve and provide forms relative to the reporting and remitting of excess ***state enhanced*** education [~~property~~] tax by the municipalities.

18 Alternative Kindergarten Programs. Amend RSA 198:48-a, VII-VIII to read as follows:

VII.(a) [~~Upon the effective date of this paragraph, and for~~] ***For*** each fiscal year through June 30, 2003, an adequate education grant of $1200 per pupil shall be distributed to school districts, from the education trust fund created in RSA 198:39, for the education of its resident kindergarten pupils enrolled in an approved alternative kindergarten program established under this section.

(b) Once pupils enrolled in an approved alternative kindergarten program have been counted in the average daily membership in residence, school districts shall receive, for each such pupil, an adequate education grant calculated in accordance with [~~RSA 198:40 through RSA 198:42~~] ***RSA 198:41***.

VIII. Notwithstanding the provisions of this section, alternative kindergarten programs which were approved and in effect prior to April 29, 1999 may continue to operate and shall continue to receive per pupil adequate education grant amounts in accordance with RSA [~~198:40 through RSA 198:42~~] ***198:41***.

19 School Boards, Teachers; Definitions Amended. RSA 189:1-d is repealed and reenacted to read as follows:

189:1-d Definitions. In this chapter:

I. "Attendance" means full-time participation in a program of instruction under the direction of a teacher employed by the school district. Educationally disabled home educated pupils educated at school district expense under the direction of a teacher employed by the school district shall be included.

II. "Membership" means pupils of whom attendance is expected, whether a pupil is present or absent on any given day.

III. "Average daily membership in attendance" means the aggregate half-day membership of pupils attending schools operated by a school district divided by the number of half-days of instruction offered. The average daily membership in attendance for preschool and kindergarten

pupils shall be divided by the number of instructional days offered to higher level elementary grades.

IV. "Average daily membership in residence" means the average daily membership in attendance of pupils who are legal residents of the school district pursuant to RSA 193:12 or RSA 193:27, IV and are attending any public school, or who are attending any charter school or private school program approved by the department of education at the expense of the school district.

20 Procedure for Formation of Cooperative School Districts; Apportioning Operating Expenses; Exclusion of Home Education Pupils Deleted. Amend RSA 195:18, III(e) to read as follows:

(e) The method of apportioning the operating expenses of the cooperative school district among the several preexisting districts and the time and manner of payment of such shares. [~~Home education pupils who do not receive services from the cooperative school district, except an evaluation pursuant to RSA 193-A:6, II shall not be included in the average daily membership relative to apportionment formulas.~~]

21 Procedure for Formation of Cooperative School Districts; Apportioning Capital Expenses; Exclusion of Home Education Pupils Deleted. Amend RSA 195:18, III(g) to read as follows:

(g) The method of apportioning the capital expenses of the cooperative school district among the several preexisting districts, which need not be the same as the method for apportioning operating expenses, and the time and manner of payment of such shares. Capital expenses shall include the costs of acquiring land and buildings for school purposes, including property owned by a preexisting district; the construction, furnishing, and equipping of school buildings and facilities; and the payment of the principal and interest of any indebtedness which is incurred to pay for the same or which is assumed by the cooperative school district. [~~Home education pupils who do not receive services from the cooperative school district, except an evaluation pursuant to RSA 193-A:6, II, shall not be included in the average daily membership relative to apportionment formulas.~~]

22 Effective Date.

I. Section 2 of this act shall take effect July 1, 2004.

II. Sections 4-7 and 11-18 of this act shall take effect July 1, 2004.

III. Section 3 of this act shall take effect July 1, 2005.

IV. RSA 198:40-b and RSA 198:40-c, I(c), as inserted by section 10 of this act shall take effect July 1, 2004.

V. The remainder of this act shall take effect July 1, 2003.

2003-1630s

AMENDED ANALYSIS

This bill:

I. Reduces the education property tax rate from $5.80 to $4.87 for the 2004 fiscal year and to $3.50 for the 2005 fiscal year.

II. Beginning July 1, 2005, establishes a new education funding formula for municipalities and sets forth criteria whereby municipalities may receive local equalized aid, targeted per pupil aid, and state enhanced education aid for pupils in the public schools.

III. Establishes a new procedure for determining the statewide cost of an adequate education.

Senate Education
May 15, 2003
2003-1656s
04/05

Amendment to HB 608-FN-LOCAL

Amend the title of the bill by replacing it with the following:

AN ACT relative to the funding of public education.

Amend the bill by replacing all after the enacting clause with the following:

1 Education Property Tax; Rate Reduced. Amend RSA 76:3 to read as follows:

76:3 Education Property Tax. An annual education property tax at the uniform rate of [~~$5.80~~] ***$4.87*** on each $1000 of the value of taxable property is hereby imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F.

2 State Enhanced Education Tax. RSA 76:3 is repealed and reenacted to read as follows:

76:3 State Enhanced Education Tax. An annual state enhanced education tax at the uniform rate of $3.50 on each $1,000 of the value of taxable property is hereby imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F.

3 State Enhanced Education Tax. RSA 76:3 is repealed and reenacted to read as follows:

76:3 State Enhanced Education Tax. Beginning July 1, 2005, and every fiscal year thereafter, the state enhanced education tax rate shall be determined in accordance with the calculation set forth in RSA 198:40-b, and such rate shall be imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F. The commissioner of the department of revenue administration shall set the rate which shall be effective for the fiscal year in which the calculation is made.

4 Assessment; Commissioner's Warrant; Commissioner's Report. Amend RSA 76:8 and 76:9 to read as follows:

76:8 Commissioner's Warrant.

I. The commissioner of revenue administration shall annually calculate the proportion of ***state enhanced*** education [~~property~~] tax to be raised by each municipality by multiplying the uniform education property tax rate by the total equalized value of all property in the municipality as determined under RSA 21-J:3, XIII for the preceding year, except property taxable under RSA 82 or RSA 83-F.

II. The commissioner shall issue a warrant under the commissioner's hand and official seal for the amount computed in paragraph I to the selectmen or assessors of each municipality by

December 15 directing them to assess such sum and pay it to the municipality for the use of the school district or districts and, if there is an excess ***state enhanced*** education tax payment due pursuant to RSA 198:46, directing them to assess the amount of the excess payment and pay it to the department of revenue administration for deposit in the education trust fund. Such sums shall be assessed at such times as may be prescribed for other taxes assessed by such selectmen or assessors of the municipality.

III. Municipalities are authorized to assess local property taxes necessary to fund school district appropriations not funded by the ***state enhanced*** education [~~property~~] tax, by distributions from the education trust fund under RSA 198:39, or by other revenue sources.

76:9 Commissioner's Report. The commissioner of revenue administration shall report to the governor, the speaker of the house of representatives, the president of the senate, and the commissioner of education each year on or before October 1, a statement of the ***state enhanced*** education [~~property~~] tax warrants to be issued for the tax year commencing April 1 of the succeeding year.

5 Utility Property Tax; Exemption. Amend RSA 83-F:9 to read as follows:

83-F:9 Exemption From State ***Enhanced*** Education [~~Property~~] Tax. Persons and property subject to taxation under this chapter shall not be subject to tax under RSA 76:3; provided, however, that nothing in this chapter shall be construed to exempt such persons or property from local school, municipal, district, or county taxation under RSA 76.

6 School Money; Education Trust Fund. Amend the introductory paragraph of RSA 198:39, I to read as follows:

I. The state treasurer shall establish an education trust fund in the treasury. Moneys in such fund shall not be used for any purpose other than to distribute adequate education grants to municipalities' school districts pursuant to RSA 198:42, and to provide ***state enhanced*** education [~~property~~] tax hardship relief under RSA 198:55. The state treasurer shall deposit into this fund immediately upon receipt:

7 School Money; Education Trust Fund. Amend RSA 198:39, I(g) to read as follows:

(g) The full amount of excess ***state enhanced*** education [~~property~~] tax payments from the department of revenue administration pursuant to RSA 198:46.

8 State Aid for Educational Adequacy; Definitions. RSA 198:38 is repealed and reenacted to read as follows:

198:38 Definitions. In this subdivision:

I. "Municipality" means a city, town, or unincorporated place.

II. "School district" means school district as defined in RSA 194:1 or RSA 195:1.

III. "Elementary school" means a school with any of the grades kindergarten through 8.

IV. "High school" means a school with any of the grades 9 through 12.

V. "Department" means the department of education.

VI. "Educationally disabled child" or "educationally disabled pupil" means an educationally disabled child as defined in RSA 186-C:2, I.

VII. "Average daily membership in attendance" means average daily membership in attendance as defined in RSA 189:1-d, III.

VIII. "Average daily membership in residence" and "resident pupils" mean the average daily membership in residence as defined in RSA 189:1-d, IV, except that no kindergarten pupil shall count as more than 1/2 day attendance per calendar day. Children who are home schooled pursuant to a home education program approved by the department in accordance with RSA 193-A shall not be included in this definition.

IX. "Transportation cost" means the cost of transporting pupils in grades kindergarten through grade 8 to and from school as reported by school districts on the DOE-25 form.

X. "Free or reduced-price meal" means the number of pupils in a school district in grades 1 through 12 who are eligible to receive a free or reduced-priced meal shall be calculated by multiplying each municipality's elementary average daily membership in residence by the percentage of elementary pupils eligible to receive a free or reduced-price meal in the district of residence.

9 State Aid for Educational Adequacy; Local Equalization Aid; Per Pupil Valuation. RSA 198:40 is repealed and reenacted to read as follows:

198:40 Local Equalization Aid. Beginning July 1, 2004, and every fiscal year thereafter, local equalization aid shall be calculated by the department as follows:

I. The total statewide equalized valuation of all municipalities including utilities, as determined by the department of revenue administration, shall be divided by the total statewide average daily membership in residence. The result shall be the statewide average equalized valuation per pupil.

II. The equalized valuation of all property in a municipality including utilities, as determined by the department of revenue administration, shall be divided by the average daily membership in residence in the municipality. The result shall be the local equalized valuation per pupil.

III. Eligibility for local equalization aid under this paragraph shall be determined as follows:

(a) If a municipality's local equalized valuation per pupil as calculated in paragraph II is equal to, or greater than, the statewide average equalized valuation per pupil as calculated in paragraph I, no local equalization aid shall be available.

(b) If a municipality's local equalized valuation per pupil as calculated in paragraph II is less than the statewide average equalized valuation per pupil as calculated in paragraph I, the municipality shall be entitled to receive local equalization aid in an amount equal to the following: subtract the local equalized valuation per pupil as calculated in paragraph II from the statewide average equalized valuation per pupil as calculated in paragraph I. This amount shall be multiplied

by the average local education tax rate imposed statewide in the fiscal year in which this calculation is made, and the product shall be divided by 1,000. The result shall be multiplied by the average daily membership in residence in such municipality and shall be available to a municipality as local equalization aid.

10 New Sections; Targeted Per Pupil Aid; State Enhanced Education Aid. Amend RSA 198 by inserting after section 40 the following new sections:

198:40-a Targeted Per Pupil Aid.

I. A municipality with a local equalized valuation per pupil as calculated in RSA 198:40, II, which is less than or equal to 200 percent of the statewide average equalized valuation per pupil, as calculated in RSA 198:40, I, shall be eligible to receive targeted per pupil aid for such municipality's educationally disabled pupils, pupils eligible for free or reduced-price meals, English for speakers of other languages, and for such municipality's transportation costs which shall be determined by multiplying the statewide average equalized valuation per pupil, as calculated in RSA 198:40, I, by the average local education tax rate imposed statewide in the fiscal year in which this calculation is made. The product shall be divided by 1,000 resulting in a per pupil amount which shall be available to a municipality as follows:

(a) The per pupil amount calculated in paragraph I shall be multiplied by the average daily membership in residence of educationally disabled pupils in the municipality. This amount shall be available as targeted aid for educationally disabled pupils in the municipality.

(b) The per pupil amount calculated in paragraph I shall be multiplied by the average daily membership in residence eligible to receive a free or reduced-price meal in kindergarten through grade 12 in the school district. This amount shall be available as targeted aid for pupils eligible to receive a free or reduced-price meal in the municipality.

(c) The per pupil amount calculated in paragraph I shall be multiplied by the average daily membership in attendance receiving English for speakers of other languages services in the municipality. This amount shall be available as targeted aid for pupils in the municipality receiving English for speakers of other languages. In this subparagraph "average daily membership in attendance" shall be as defined in RSA 189:1-d, III.

(d) A municipality eligible to receive targeted per pupil aid under this paragraph shall also receive 100 percent of transportation costs in such municipality.

II. A municipality with a local equalized valuation per pupil, as calculated in RSA 198:40, II, which is greater than 200 percent of the statewide average equalized valuation per pupil as calculated in RSA 198:40, I shall not receive targeted per pupil aid under this section.

198:40-b State Enhanced Education Aid. Beginning July 1, 2005, and every fiscal year thereafter, state enhanced education aid shall be calculated by the department as follows:

I. Divide the total statewide equalized valuation of all municipalities excluding utilities, as determined by the department of revenue administration, by the total statewide average daily

membership in residence. The result shall be the statewide average equalized valuation per pupil.

II. Divide the equalized valuation of all property in a municipality excluding utilities, as determined by the department of revenue administration, by the average daily membership in residence in the municipality. Multiply the result by the state enhanced education tax rate imposed in the fiscal year in which this calculation is made, and divide the product by 1,000. The result shall be the local equalized valuation per pupil.

III. Eligibility for state enhanced education aid under this paragraph shall be determined as follows:

(a) If a municipality's local equalized valuation per pupil as calculated in paragraph II is greater than or equal to the statewide average equalized valuation per pupil as calculated in paragraph I, no state enhanced aid shall be available.

(b) If a municipality's local equalized valuation per pupil as calculated in paragraph II is less than the statewide average equalized valuation per pupil as calculated in paragraph I, the municipality shall be entitled to receive state enhanced education aid in an amount equal to the following: subtract the local equalized valuation per pupil as calculated in paragraph II from the statewide average equalized valuation per pupil as calculated in paragraph I. This amount shall be multiplied by the state enhanced education tax imposed statewide in the fiscal year in which this calculation is made, and the product shall be divided by 1,000. The result shall be multiplied by the average daily membership in residence in such municipality and shall be available to a municipality as state enhanced education aid.

IV.(a) In any fiscal year, if the amount raised by the state enhanced education property tax in any municipality, except an unincorporated place or a town with an average daily membership in residence of one or less, exceeds the amount necessary to fund all local education costs as determined in such municipality's duly adopted school district budget, the excess shall be remitted to the department of revenue administration on or before March 15 of the tax year in which the excess occurs.

(b) The amount of such excess to be remitted shall not include any income derived from the investment of funds by the municipal treasurers under RSA 41:29 and RSA 48:16. Any funds remaining after full payment of the excess tax required in paragraph I shall become available for unrestricted use by the municipality.

(c) The commissioner of the department of revenue administration shall collect from the municipality the excess tax and pay the excess tax over to the state treasurer for deposit in the education trust fund established in RSA 198:39.

(d) The commissioner of the department of revenue administration shall calculate the excess amount owed by each municipality pursuant to paragraph I.

V. In any fiscal year, a municipality shall appropriate all state enhanced education aid funds received under this section to pay for local education costs before raising any additional local

education tax revenues locally.

198:40-c Total State Aid for Education.

I. Beginning July 1, 2004, and every fiscal year thereafter, the total state aid for education shall be determined as follows:

(a) The sum total of all local equalization aid as calculated under RSA 198:40 paid to all municipalities statewide; plus

(b) The sum total of all targeted aid as calculated under RSA 198:40-a paid to all municipalities statewide; plus

(c) The sum total of all state enhanced education aid as calculated under RSA 198:40-b.

II. In each fiscal year, the total aid calculated in paragraph I shall be adjusted by adding the average annual rate of inflation, as measured by the most recent available northeast region consumer price index for all urban consumers as published by the Bureau of Labor Statistics, United States Department of Labor. The resulting sum, expressed as a percentage, shall be added to 100 percent to yield an adjustment factor. The total state aid for education from the immediately preceding year shall be multiplied by the adjustment factor and the product shall be the adjusted total state aid for education.

III. In each fiscal year, the commissioner of the department of revenue administration shall determine, to the nearest cent, the state enhanced education tax rate that will match, as nearly as possible without exceeding, the amount raised statewide by the state enhanced education tax in fiscal year 2005.

IV. In any fiscal year in which the total state aid for education as calculated under this section would exceed the total state aid for education distributed to municipalities in the immediately preceding fiscal year as adjusted pursuant to paragraph II of this section, the total state aid for education shall be reduced to the amount distributed to municipalities in the immediately preceding fiscal year, as adjusted pursuant to paragraph II of this section, and the amount of the excess shall be deducted from each municipality's total state aid on a pro rata basis.

11 Determination of Adequate Education Grants. RSA 198:41 is repealed and reenacted to read as follows:

198:41 Determination of Adequate Education Grants.

I. Except for municipalities where all school districts therein provide education to all of their pupils by paying tuition to other institutions, the department of education shall determine the amount of the adequate education grant for the municipality adding the all sums received by a municipality under RSA 198:40, RSA 198:40-a, and RSA 198:40-b, and subtracting from the sum the amount of the tax warrant issued by the commissioner of the department of revenue administration pursuant to RSA 76:9 for the next tax year.

II. For municipalities where all school districts therein provide education to all of their pupils by paying tuition to other institutions, the department of education shall determine the

amount of the adequate education grant for each municipality as the lesser of the two following calculations:

(a) The amount calculated in accordance with paragraph I of this section; or

(b) The total amount paid for items of current education expense as determined by the department of education minus the amount of the warrant to be issued by the commissioner of revenue administration for such municipality reported pursuant to RSA 76:9 for the next tax year.

12 School Money; Distribution of Adequate Education Grants. Amend RSA 198:42, II to read as follows:

II. For the fiscal year beginning July 1, 1999, and every fiscal year thereafter the amount necessary to fund the grants under RSA [~~198:41~~] ***198:40-c*** is hereby appropriated from the education trust fund created under RSA 198:39 to the department of education according to the following formula: from the amount calculated in accordance with RSA [~~198:40, III,~~] ***198:40-c,*** subtract the aggregate amount of the ***state enhanced*** education [~~property~~] tax warrants to be issued by the commissioner of revenue administration for municipalities reported pursuant to RSA 76:9 for the next tax year. The governor is authorized to draw a warrant from the education trust fund to satisfy the state's obligation under this section. Such warrant for payment shall be issued regardless of the balance of funds available in the education trust fund. If the balance in the education trust fund, after the issuance of any such warrant, is less than zero, the commissioner of the department of administrative services shall inform the fiscal committee and the governor and council of such balance. This reporting shall not in any way prohibit or delay the distribution of adequate education grants.

13 Low and Moderate Income Homeowners Property Tax Relief. Amend RSA 198:57, III(a) to read as follows:

(a) Owns a homestead or interest in a homestead subject to the ***state enhanced*** education [~~property~~] tax;

14 Low and Moderate Income Homeowners Property Tax Relief. Amend RSA 198:57, IV(c) to read as follows:

(c) Multiply the lesser of the amount determined in subparagraph (a) or (b) by the [~~current~~] state ***enhanced*** education [~~property~~] tax rate as shown on the tax bill under RSA 76:11-a;

15 Excess Education Property Tax Payment; Subdivision Heading Amended. Amend the subdivision heading immediately preceding RSA 198:46 to read as follows:

Excess ***State Enhanced*** Education [~~Property~~] Tax Payment

16 Excess Education Property Tax Payment. Amend RSA 198:46, I to read as follows:

I. Municipalities for which the ***state enhanced*** education [~~property~~] tax exceeds the amount necessary to fund an adequate education determined by RSA 198:40 shall assess and remit such excess amount to the department of revenue administration on or before March 15 of the tax year in which the excess occurs.

17 Excess Education Property Tax Payment; Forms. Amend RSA 198:47 to read as follows:

198:47 Forms. The commissioner shall approve and provide forms relative to the reporting and remitting of excess ***state enhanced*** education [~~property~~] tax by the municipalities.

18 Alternative Kindergarten Programs. Amend RSA 198:48-a, VII-VIII to read as follows:

VII.(a) [~~Upon the effective date of this paragraph, and for~~] ***For*** each fiscal year through June 30, 2003, an adequate education grant of $1200 per pupil shall be distributed to school districts, from the education trust fund created in RSA 198:39, for the education of its resident kindergarten pupils enrolled in an approved alternative kindergarten program established under this section.

(b) Once pupils enrolled in an approved alternative kindergarten program have been counted in the average daily membership in residence, school districts shall receive, for each such pupil, an adequate education grant calculated in accordance with [~~RSA 198:40 through RSA 198:42~~] ***RSA 198:41.***

VIII. Notwithstanding the provisions of this section, alternative kindergarten programs which were approved and in effect prior to April 29, 1999 may continue to operate and shall continue to receive per pupil adequate education grant amounts in accordance with RSA [~~198:40 through RSA 198:42~~] ***198:41.***

19 School Boards, Teachers; Definitions Amended. RSA 189:1-d is repealed and reenacted to read as follows:

189:1-d Definitions. In this chapter:

I. "Attendance" means full-time participation in a program of instruction under the direction of a teacher employed by the school district. Educationally disabled home educated pupils educated at school district expense under the direction of a teacher employed by the school district shall be included.

II. "Membership" means pupils of whom attendance is expected, whether a pupil is present or absent on any given day.

III. "Average daily membership in attendance" means the aggregate half-day membership of pupils attending schools operated by a school district divided by the number of half-days of instruction offered. The average daily membership in attendance for preschool and kindergarten pupils shall be divided by the number of instructional days offered to higher level elementary grades.

IV. "Average daily membership in residence" means the average daily membership in attendance of pupils who are legal residents of the school district pursuant to RSA 193:12 or RSA 193:27, IV and are attending any public school, or who are attending any charter school or private school program approved by the department of education at the expense of the school district.

20 Procedure for Formation of Cooperative School Districts; Apportioning Operating Expenses; Exclusion of Home Education Pupils Deleted. Amend RSA 195:18, III(e) to read as follows:

(e) The method of apportioning the operating expenses of the cooperative school district among the several preexisting districts and the time and manner of payment of such shares. [~~Home~~

~~education pupils who do not receive services from the cooperative school district, except an evaluation pursuant to RSA 193-A:6, II shall not be included in the average daily membership relative to apportionment formulas.~~]

21 Procedure for Formation of Cooperative School Districts; Apportioning Capital Expenses; Exclusion of Home Education Pupils Deleted. Amend RSA 195:18, III(g) to read as follows:

(g) The method of apportioning the capital expenses of the cooperative school district among the several preexisting districts, which need not be the same as the method for apportioning operating expenses, and the time and manner of payment of such shares. Capital expenses shall include the costs of acquiring land and buildings for school purposes, including property owned by a preexisting district; the construction, furnishing, and equipping of school buildings and facilities; and the payment of the principal and interest of any indebtedness which is incurred to pay for the same or which is assumed by the cooperative school district. [~~Home education pupils who do not receive services from the cooperative school district, except an evaluation pursuant to RSA 193-A:6, II, shall not be included in the average daily membership relative to apportionment formulas.~~]

22 Effective Date.

I. Section 2 of this act shall take effect July 1, 2004.

II. Sections 4-7 and 11-18 of this act shall take effect July 1, 2004.

III. Section 3 of this act shall take effect July 1, 2005.

IV. RSA 198:40-b and RSA 198:40-c, I(c), as inserted by section 10 of this act shall take effect July 1, 2004.

V. The remainder of this act shall take effect July 1, 2003.

2003-1656s

AMENDED ANALYSIS

This bill:

I. Reduces the education property tax rate from $5.80 to $4.87 for the 2004 fiscal year and to $3.50 for the 2005 fiscal year.

II. Beginning July 1, 2005, establishes a new education funding formula for municipalities and sets forth criteria whereby municipalities may receive local equalized aid, targeted per pupil aid, and state enhanced education aid for pupils in the public schools.

III. Establishes a new procedure for determining the statewide cost of an adequate education.

Committee Minutes

Date: April 30, 2003
Time: 1:15 p.m.
Room: State House, Room 105-A

The Senate Committee on Education held a hearing on the following:

HB 608-FN-L (New Title) reducing the education property tax rate and relative to the calculation of adequate education grants.

Members of Committee present:
Senator O'Hearn
Senator Johnson
Senator Foster
Senator Green
Senator Larsen

The Chair, Senator Jane E. O'Hearn, opened the hearing on HB 608 and called on the prime sponsor, Representative David Hess, to introduce the legislation.

Representative Hess: Thank you very much, Madam Chair and Senator Green. I have some materials that I would like to distribute. They are a package and I realize I do so at some risk because you are probably inclined, as am I, to shuffle through the papers that you receive and not pay as much attention to the testimony as the speaker would like. There are additional copies of these materials at the back of the room for anybody who would like to look at them. I am handing them out because they form the basis for 608 and provide an explanation, in documentary terms, as to what we are trying to do and how we're going about doing it. I am going to pretty much paraphrase my written statements, which are on the top of that.

As passed by the House, HB 608 is a substantial improvement over previous indexing bills and I emphasize the word previous indexing bills. 608 is the progeny of a number of bills, starting in 2001, which sought to stabilize the increase in educational costs and state aid to education here in New Hampshire by tying into a rational objective standard. In all of the past instances, that standard was the Northeast Consumer Price Index or NECPI, and the origin of that idea really came out of the first Adequate Education

Commission meeting in 2000 and early 2001 when we soon realized that the funding bill that we had initially enacted, which was basically HB 117, as amended in 1998, had a substantial flaw in the manner in which the cost of adequacy was calculated. We realized that by tying in the base cost of adequacy to the actual expenditure in certain identified school districts, that we could tend to exaggerate increasing costs and increasing expenditures in education. That is set forth quite clearly on the first attachment, which is several pages extracted from the Adequacy Commission report of January 29, 2001 and let me read that in quotes.

"State funding results in higher expenditure levels, could result in a self-fulfilling, upward spiral, increased state adequacy grants result in increased local costs, which in turn further increase the state grants. To resolve we, meaning the Commission, propose limiting the increase in the base cost calculations in any year to, among other things, the increase in a rolling average of the Northeast Consumer Price Index."

It is no coincidence that the sponsors of this bill were the four then House members of the Adequacy Commission in 2001. Madam Chairman, you were one of them. I was one of them. Representative Kurk, the Chair of House Finance, was one of them. And, Senate Majority Leader Clegg was the fourth Republican House member on this Commission.

As a result of these concerns, we have had a number of bills introduced over the last two years. I don't know if that is a reflection that you guys are with me or against me. We have had a number of bills introduced in the House and the Senate that have proposed indexing over the last three years. We had 747 in 2001; we had HB 1279 in 2002, which passed the House by a 205 to 129 vote, almost a two to one margin; we had SB 245 the same year. Senator O'Hearn, I think you were the prime sponsor of that bill, which passed the House by almost 200 to 143. Indexing was an integral part of former Governor Shaheen's Excel Program and, indeed, it is not in law today only because she vetoed SB 245 last spring based upon the fact that it did not include a reduction in the statewide property tax. We addressed that problem in HB 608. So, that's the generic history of indexing, which is the base for 608.

In addition, as I have said repeatedly, in my opinion and in the opinion of the sponsors, 608 is a win, win, win situation for the State, for our property taxpayers and for education in general. It will reduce the statewide education property by almost 33% over the next six years. It indexes state aid for education for the Northeast Consumer Price Index as I have just elaborated, and it targets additional aid to our neediest communities. More specifically, under HB 608 state educational grants, the checks that we write

to our towns and cities and local school districts, will increase from $411 million in the current year to $475 million by 2007. Not only that, but it will increase at a stable, predictable rate and that rate is established by the Northeast Consumer Price Index.

Under 608, if it is adopted and made effective immediately, the increase for next year, fiscal year '04, will be 2.4% over the current rate, raising the per pupil base cost from $3,311 per pupil to $3,390 per pupil. Based upon the current three years, the last three years of the CPI, keeping in mind that this bill has a four-year rolling average, the increase would be 2.6% in '04 and, if you stretch that out in '06 and '07, the Department of Education reasonably predicts that it would continue to be 2.6% in each of those years. So, our school districts would know up front and well into the future what sort of increased aid they are going to receive.

I want to make this abundantly clear. This bill, 608, results in higher state grants to our local school districts than current law. There has been a lot of misinformation circulating under the guise that, under the current law, the grants would be much larger. That is completely inaccurate. That misinformation was circulated on the assumption that we would keep the current grant formula for base cost, but reduce the statewide property tax to $4.92 a thousand. That amendment was soundly defeated on the House floor and I don't see it ever coming back to life because it would create a budget deficit of $150 million over this biennium and the sponsors of that amendment provided no alternative revenue source to make up for that loss.

So, the grants that are received under HB 608 are actually larger than what would have been received under current law or what will be received under current law if current law would remain in effect. And, to highlight that, and I'm doing this for demonstrative purposes only at this time because I understand there is a reassessment equalization process that's in the process. Attachment 2 and 2-A and 2-B, which are the legal size spreadsheets, the ubiquitous spreadsheets, if you will, show a comparison of 2004 and 2005 on a town by town basis with the comparison of the statewide property tax raised in each town based upon current law versus HB 608, the net grants that are distributed to each town based upon current law and 608, and then the last three columns show the difference. I have included a cover sheet which is a description of what the columns accomplish and the assumptions that are contained in the spreadsheets so that I hope it is self-explanatory and self-descriptive. But it does confirm and establish that the grants, the actual checks the State writes under 608, will be more than $20 million greater than under current law if left in place.

The next thing that 608 does is to expressly and long term reduce the statewide property tax. It is reduced primarily with the help and encouragement of Senator Green early in this process, to $4.92 in the first year. Below $5.00. That is an eighty-eight cent drop. That is almost a 16% reduction in the statewide property tax next year alone.

It then continues on further twenty cent reductions through '09 until it gets down to $3.92 per thousand. Then, as a statement of faith with our property taxpayers and a State commitment to continue to reduce the statewide property tax, the bill has a built-in formula which provides that, as the equalized assessed valuation total across the State of New Hampshire rises, the statewide property tax is automatically recomputed on an annual basis by DRA so that the tax never raises more money than it did in 2009 which means that, as values go up across the State, the rate will go down. It does have a circuit breaker, however, that provides that if the property assessed value, total statewide, drops for some reason like it did back in '89-'90, the rate is not going to go back up. So, it caps that rate as it drops. But, it is a commitment to continue reducing the rate over time indefinitely. As I indicated, by 2009, that rate will have dropped almost 33% from its current rate of $5.80 a thousand.

Now, let's go back to the Index. Why did we choose the Northeast Consumer Price Index? Documents 3 and 3-A are the backup and explanation for that. Document 3 is the inflation measures for schools, colleges, and libraries published by Research Associates of Washington. This is a private think tank that publishes this particular document. This source material was found by Department of Education personnel pursuant to the request of some of us on the Adequacy Commission who were looking for something more objective than the current formula for measuring educational costs. As you will see on the second page, and again, I have highlighted it, the School Price Index of SPI, which is calculated by Research Associates, measures the average relative level and the prices of goods and services purchased by elementary, secondary schools for current expenses. Now, that is an average throughout the country and it measures those current expenditures. It does not include capitol outlays, debt service, investment and income, which are depreciated. But, it goes, in the second sentence there, to describe what it consists of.

We looked at this index and initially thought that this index would be the perfect criteria by which to measure increases in the cost of inflation because it is a national index documented. However, we found three serious concerns about it. First of all, it is published by a private entity, not a governmental entity, so it lacks some degree of credibility. Secondly, it is only published in its entirety once every three years and, under our method of trying to

continue to provide education cost increases, provide education grants to match cost increases, we felt we needed an annual adjustment, not a tri-annual adjustment. Thirdly, Research Associates was in the process of trying to market this index. They wanted to sell it to somebody else, so there was a serious question as to whether or not this index would cease to exist at some future point in time.

So, what we asked and what the New Hampshire Department of Education came up with was the comparative document which I have labeled 3-A in the upper right hand corner, and this was produced for us by DOE in February of 2001. As you can see, that compares the School Price Index, the SPI, with the Northeast Consumer Price Index for the years 1991 through 2001. If you go down to the bottom of the page, again Department of Education's comments, by comparing the nine-year average of these two indexes, you will see that the CPI almost exactly mirrors the SPI to the point of one tenth of one percent per year. Since the Northeast CPI is a more accurate measure of inherent New Hampshire increase costs, because this number is so accurate, and because the Northeast CPI is a Department of Labor, government published number, we thought it had significant credibility and reliability and therefore chose to include it in this bill as has every other indexing bill considered by the House and the Senate over the last three years.

We also decided to take a look at it because basically that number suggested that, if you keep the growth and costs to the rate of inflation, you basically maintain the cost for an education at a flat figure in constant dollar numbers. So, what we did is, if you go to page 2 of Document 3-A, we went to the United States Department of Education calculations to get the current expenditure per pupil by state for various periods of time and to look at it in terms of constant dollars. As you will see on page 2 of Exhibit 3-A, if you look at New Hampshire from 1989 to 1999, which is the decade the other chart showed, it shows that in fact the cost of education, total cost of education in New Hampshire, for that decade has been absolutely flat, absolutely flat in constant dollars. Indeed, in 1999, we were spending about $100 less per pupil in New Hampshire than we were spending in 1989 in flat constant dollars. So, that was a second corroboration of the fact that the indexing that DOE did for us in 2001 was indeed an accurate reflection of education costs in New Hampshire over that period of time.

With respect to the statewide property tax, one of the things that inevitably comes up, if we are going to retain any vestige of the statewide property tax, is what happens to donor town contributions, so-called, if the tax remains in effect and if it is say established at a $4.92 per thousand figure. Attachment 4 is a calculation to reflect what happens. What that shows is, in terms of money that is sent to the state from donor towns, they would send $2.6

million less than they do in the current year. If you add in how much they save in the eighty-eight cent reduction in this statewide property tax, that figure rises to a total savings of $18.6 million from the donor towns listed. As I highlight on the bottom of that sheet, twenty-four, two-thirds of the donor towns, have less tax burden as a result of this bill in '04 and a one-third or thirteen of them see a slightly larger tax burden.

The third thing that this bill does, 608, is to initiate a targeting program for targeted aid to our neediest, our most lowest real estate value to pupil ratio towns and cities. It targets starting at $10 million in the next year, rises to $15 million is fiscal '05, then to $20 million on '06 and '07. Basically, that targeting would result in pointing $65 million of our education aid, state education aid, directly at those communities who most need it, who require the largest local property tax rate in order to raise each additional dollar of education funding.

Attachment 5 of my package is a summary of who receives the targeted aid under 608 in fiscal year '04 through fiscal year '07 and that shows town by town again how that aid is distributed.

In conclusion, and I will be happy to answer any questions, obviously, this bill provides for increased state aid to education, provides for it on a stabilized, predictable basis using the CPI, targets aid to our neediest communities, and reduces the statewide property tax. I would urge you to consider it apart and beyond anything else that you might consider in terms of changing our state aid formula and I do so for this reason. 608 would be a safety net. It is also a good transition for more radical, if you want to use that term, changes in our formula. It provides a transition into a new formula, particularly new formulas that are almost entirely target based rather than base aid plus targeting and it provides a safety net because, I believe and I believe this feeling is shared by almost everyone I have spoken to, that 608 has a rational defendable basis for overcoming any constitutional challenge to it. It has been thought through. It has been thought about for three years. It has been debated. It has had bi-partisan support over the last three years. I urge you and I urge the Senate to consider adopting 608 as a transition as we did in the House, and also as a safety net in the event additional bills are passed which may have more, may be more likely subject to constitutional challenge.

Finally, I have to say, with some embarrassment, that this bill needs at least one amendment to it and perhaps two. I got my copy off the net; I don't know what copy yours is. But, if you go to Section 10, which is the CPI, if you go to Section 10, which is the CPI, sometime, somehow, uncaught, the reference to the Northeast Consumer Price Index was deleted. That occurred some time

after March 18th of this year and, Madam Chairman, I have a draft of a former 608 in one of its former forms. I don't think that ever saw the light of day, but that contains the sentence. It is a single sentence, which should be added at that location to bring the Northeast CPI into the text of the bill, even though it is in the amended analysis of the bill.

Senator Richard Green, D. 6: That would be added to line 36 on page 2?

Representative Hess: That is added to, at the beginning of line 36 of page 2. That's right.

Senator Richard Green, D. 6: Adds language, that's all.

Representative Hess: Adds a sentence. And the sentence has been drafted by OLS I don't know how many times.

Senator Richard Green, D. 6: Okay.

Representative Hess: The other thing that I think you should spend a little bit of time on concerns the education property tax language on page 2 also, beginning at line 14. The thing I think ought to be checked with DRA is in line 16. It talks about calculating the percentage change in the total valuation of all developed land. I don't think we should be limiting the reappraisal and reassessment to just developed land. I think we should also include open space, raw land, land that is not developed.

Senator Richard Green, D. 6: So, all land?

Representative Hess: I think it should be all land, but I will defer to the drafters for the appropriate language. But again, I don't know how long that language has been in the draft of 608, but it strikes me as unduly limiting the scope and certainly the intent of the bill

With that, I will be happy to answer any questions.

Transcriber's note: Due to the volume of materials submitted by Representative Hess, those documents are not attached to this transcript, but are available in the original bill file.

Senator Jane E. O'Hearn, D. 12: Questions from the Committee?

Representative Hess: Oh, let me also so, I forgot to include this. On the targeting formula, let me give you a brief history of that and how we arrived at this formula.

We took a look at the targeting formulas that were contained in HB 717 and in HB 2, which originally emanated from the Governor's Office. We like the way those targeting formulas are very much alike, if not identical. We like very much the way those formulas distributed the money. But, we couldn't explain how they worked and it was sort of like 117 in terms of calculating the base costs. There weren't too many people around the countryside who could explain how they work and make rational sense. So, we asked the Department of Education to come up with a simple, explainable formula for targeting aid that basically sends the same amount of money to the same towns and school districts. They came up with this formula, which is a combination of median income, etc.

Sally Fellows from the Department of Education is here. I know she is available for the Committee to describe how the formula works in more detail and she can answer your questions about the formula far better than I can. But, it is an attempt to basically replicate the distribution formulas, the distribution patterns of 717 and HB 2 using a formula that was relatively easily explainable.

Senator Jane E. O'Hearn, D. 12: And, on the recipients of targeted aid, the thing that Amherst, Bedford and Hanover, that means they would see no targeted aid?

Representative Hess: That is absolutely correct.

Senator Jane E. O'Hearn, D. 12: Any further questions from the Committee?

Senator Sylvia B. Larsen, D. 15: I have perhaps not a fully formed question but, in your distribution charts that you have given to us and that are dated 04/04, April 4 of 2003, you calculate a total economic benefit to the communities, which is a column I have never seen calculated because it appears what you have done is you have calculated an assumed statewide property tax savings to the communities in column 7 and used those assumed savings to offset what are decreases to the communities. So, you in essence masked what could be, likely be, in some communities, the need for a property tax increase locally and made it look as if there is some benefit to it.

Representative Hess: Is this a question or a statement, Senator?

Senator Sylvia B. Larsen, D. 15: I just wonder if you wouldn't agree that, in some communities, they are going to see a local property tax increase to

make up for the difference in state, the changes that the State is doing in terms of grants to communities.

Representative Hess: Let me respond to that in several ways. First of all, I want to correct some assumptions in this statement and in your question. This is not an assumed reduction. This is an actual reduction in the statewide property tax by eighty-eight cents a thousand. That's eighty-eight cents a thousand that does not show up in the local property taxpayers tax bill as statewide property tax. So, that savings, that reduction of $84.6 million, is a real reduction.

Tape change.

Representative Hess: As I stated in my prepared statement and in the highlights is that it restores increased accountability and responsibility to the local level to make education funding and education provision decisions. As a result of the reduction in the statewide property tax, our grants actually go up, as you can see, almost $25 million under current law. So, the towns and cities are getting $25 million more under HB 608 in money, checks from the State than they would if current law were still in effect. Now, that still does leave a differential, but the towns and cities, because of the increase in appreciated value of properties across the State, you can restore whatever cut you may have in the statewide property tax with a significantly smaller tax increase and you don't need to restore it if you don't want to. I would, for example, assume in the donor towns that virtually no donor town is going to increase their local property taxes to make up for the reduction that they are going to see in their statewide property taxes. I would assume that that would be the case in many other towns.

We, in Hooksett, in past years, have operated under our default budget, which keeps our education funding flat over the years. If that were the case and your town receives more grants, you're going to be much better off. So, it will probably result in increased local property taxes in those towns and cities, Senator, that make that decision. But, it is going to be a locally controlled decision and not a dictation at the State level.

Senator Sylvia B. Larsen, D. 15: You and I were both here back when Augenblick was in effect, although it wasn't funded properly, and we did need to say it was a local controlled decision then. Are you not going to have a situation where a community that sees a million dollar reduction has the choice of increased local property taxes or reduce their school budget by a million dollars?

Representative Hess: Well, one of the things you have to remember, Senator, is that the reason you can reduce the statewide property tax and raise a very similar amount of money to this year is because the appreciated value of property across the State has risen 15%.

Senator Sylvia B. Larsen, D. 15: I'm aware of that.

Representative Hess: So, if your property value rises 15%, you can reduce the rate 15% and you can still raise the same number of absolute dollars under the statewide property tax. That's the fundamental concept behind this bill. So, you're still raising the same dollars with a reduced statewide property tax. The rate is lower and, if the towns and cities want to spend more money on top of that, then they would, of course, have to raise the local property taxes.

Senator Jane E. O'Hearn, D. 12: Any other questions from the Committee? When, Representative Hess, we get down to 392 in the statewide property tax, how many donor towns are then left?

Representative Hess: I haven't run out that calculation, Madam Chair. The reason I haven't run it out beyond 2005 is because, once you get beyond basically two years, you are making a number of assumptions which you can't have a tremendous amount of confidence in. I think, when you get the spreadsheet from 717, you will see that there is two or three years of projected and then it changes color going further out. That is because, in order to answer the question that you have asked, you would have to know how much of the property total assessed valuation in each town increased, how has their student census, their student population changed, the characteristics of their student population in terms of special ed, in terms of free and reduced lunch, etc., and then you have to make an assumption of what the adequacy number is going to be out in 2009. All of those assumptions are really guesstimates at best. Guesses, more accurately. I think really, if you go beyond a two-year period, you're really beginning to get into the hypothetical realm and that's why the spreadsheets that I have here are just for 2004 and 2005 because they are relatively predictable in this sense.

We already know what the increase in equalized valuation is going to be for 2004 because that is based on several years ago. We know that has gone up 15% over '03. Okay? We virtually know what it is going to be in '05 because all the building permits for those improvements have already been issued and construction is already in process. DRA estimates it, as I indicated at the bottom of page 2, it is estimated that that is going to be $8 increase in total assessed valuation across the state for the '05 calculations.

Now, I think if you ask Mr. Blatsos from DRA to give you his best estimate right now as to what that increase would be, I believe he would tell you it is probably going to be closer to 10% rather than 8%. We continue to use 8% because that is the official DRA estimate. If you go out further, you become more and more uncertain because you don't have any facts upon which to base it and it is merely projections. But, we go out further into that range and go down to 6% in '07 and 4% in '08 and the consensus is to assume a 4% growth in equalized assessed valuation statewide into the indefinite future.

Senator Jane E. O'Hearn, D. 12: Is there any relation between the Northeast Consumer Price Index and the way the assessment is going?

Representative Hess: I don't think so. At least, all I can tell you, Senator is, based upon my experience and the place that we own up on the lake in Moultonborough, which I of course pay a statewide property tax on, and the fair market values, the sales of waterfront property in Moultonborough has almost doubled in the last four to six years. So, at least second home valuations in New Hampshire appear to be going up at the rate of about 25% a year rather than 10% to 15% a year.

Senator Jane E. O'Hearn, D. 12: I know I have a number of questions as I go through this piece of legislation. Is there somebody else who would like to jump in? Senator Foster?

Senator Joseph A. Foster, D. 13: Thank you, Madam Chair. I think I am going to follow up on some questions that Senator Larsen asked because I know I don't understand this, as much as I try to figure it out. I am just going to look at Nashua for the moment because it is my community and I happen to represent it exclusively as well. I am looking at your Exhibit 2, I guess it is, with the various columns in it.

Representative Hess: Nashua is not a poster girl or a poster boy in this plan.

Senator Joseph A. Foster, D. 13: The final column shows the total economic benefit is $7 million and it shows in net grant, under the current law, $25 million and the net grant under 608 of $26.3. I'm reading that and yet, there's a suggestion here that the community is $7 million better off. I don't understand that. I guess I'm confused as to the difference between the 1.3, which I think I understand, and the 7.

Representative Hess: The equalized assessed valuation of real property across the State has risen approximately 15% between '03 and '04. This assumes that the valuation in Nashua has also risen 15%. So, if you reduce

the statewide property tax by 15%, which is basically from 580 to 492, you will be raising the same number of constant dollars. Okay?

Senator Joseph A. Foster, D. 13: I understand.

Representative Hess: But, you then have eighty-eight cent reduction in the property tax rate, which then becomes available to you as opposed to having been taken by the statewide property tax if current law remains in place because you would be spending that additional statewide property tax under current law that you don't have to pay under 608.

Senator Joseph A. Foster, D. 13: So, what you're suggesting is that, if the community wanted to, it could decide not to raise the $5 million roughly dollar difference and lower its school budget by $5 million.

Representative Hess: No, you would leave the school budget flat because 492 raises the same amount as the 580 did the previous year.

Senator Joseph A. Foster, D. 13: Where does the $5 million go? I guess I'm still not understanding it.

Representative Hess: That goes into the taxpayers' pockets unless your local school district, and I don't know if Nashua has the same situation as Manchester, the Mayor and Alderman decide to raise the school property tax by increasing appropriations from education funding above and beyond what they receive from the State.

Senator Joseph A. Foster, D. 13: I'm not seeing it. Where is the $5 million benefit? You are saying that the statewide property tax doesn't raise the $5 million.

Representative Hess: Right, but the statewide property tax is raising the same amount of constant dollars at 492 as it raised at 580 last year. So, you have that $5 million cushion, if you want to, that Nashua can say, "Okay, we want to tax ourselves more and spend more money on education or we want to not tax ourselves as much and save some money and put it into the taxpayers' pockets".

Senator Joseph A. Foster, D. 13: I guess the problem I'm having is that, under the current law, it says our net grant would be $25 million. Are you suggesting that, in addition to the net grant, we would be paying to the State $5 million we wouldn't see coming back under the current law? Because that's not the way the statewide property tax works.

Representative Hess: No. Neither of those. It would work the same way under 608 as under current law. But, the dollars that are attributable to the statewide property tax at 492 a thousand in 2004 would be the same gross dollars that you attribute to the statewide property tax in '03 at $5.80 a thousand.

Senator Joseph A. Foster, D. 13: There's a lot of folks who want to testify, so I will drop my question. I don't think I'm seeing it, but maybe somebody else will elucidate it. Thank you.

Senator Jane E. O'Hearn, D. 12: Senator Larsen?

Senator Sylvia B. Larsen, D. 15: I think we would all agree that the savings of the statewide property tax is not exactly a savings because it is, in essence, is what would be needed given the increase in valuations across the State. So, to call that a savings per se is not exactly accurate.

Representative Hess: No, it is quite accurate, Senator, because, if you don't change current law, you're raising $558 million in the statewide property tax. So, you are saving $84 million from what you pay under current law.

Senator Sylvia B. Larsen, D. 15: The taxpayers wouldn't see that as a savings because they are not going to see their property tax go down.

Representative Hess: They are going to see their statewide property tax drop eighty-eight cents a thousand and then they can decide if they want to spend more money on education and raise it by increasing the local property tax.

Senator Sylvia B. Larsen, D. 15: Further question? I want to go back to Nashua as an example because we were on that. Nashua's current state aid is $29,492,240 in the year 2003.

Representative Hess: I will accept your word for that. I know it is up there close to $30 million.

Senator Sylvia B. Larsen, D. 15: By LBA's numbers, the calculation for HB 608 is in '04, Nashua would go from what was $29.5 million to $26.3 million.

Representative Hess: That's right. Under current law, it would drop even further to $24.9 million.

Senator Sylvia B. Larsen, D. 15: The education aid to Nashua goes down that $3 million?

Representative Hess: That's right and that's a simple function primarily of the fact that Nashua, as I understand it, has fallen off the chart in terms of free and reduced lunch program, which has cost it $3 to $4 million in funds that it received in '03 under the current formula that it won't receive in '04 because of the formula, and it is my understanding that the drop in aid to Nashua under current law is the worst of any plans that you are going to be considering, either 717, 608, variations that I think the Senate is considering. That current law figure is by far the lowest figure that Nashua would receive in state aid under any iteration of state education funding.

Senator Sylvia B. Larsen, D. 15: I will ask this last question. Knowing how Nashua works, but when you have population increase or decrease and, in this case, the subsection in Nashua's case is the subsection of their population. When you have a decrease in that population, your numbers will go down.

Representative Hess: That's right.

Senator Sylvia B. Larsen, D. 15: That's basically what the problem is that happened to Nashua.

Representative Hess: The census. Right. Let me just interrupt, Senator, for a second. These numbers assume a constant census, town by town. We didn't know how else to do that. DOE has figures for '04, but they came out after these spreadsheets were developed and distributed. Circulating another spreadsheet with a minor variation is gonna drive people berserk. Go ahead. I apologize.

Senator Sylvia B. Larsen, D. 15: So, just looking at Concord, which I'm not aware we have had a significant reduction in free and reduced lunch, Concord goes from $13 million in current law under your version of 608 goes down $1.6 million.

Representative Hess: No, the grant to Concord goes to $14.2 million under HB 608. You said Concord is $13 million. I don't know. I don't have the figures for the current year in front of me. And, again, Concord gets almost a half a million dollars more in its check from the State under HB 608 than it would under current law, which unfortunately, I can't say the same about Nashua.

Senator Jane E. O'Hearn, D. 12: I would like to hone in on some of the policy pieces in here rather than getting into the money pieces just yet. I know this will be a financial issue for what bills end up in Finance. But, as I look at this, page 2, Section 9, we are talking home education. Now, home-

educated students have been in the mix, they have been out of the mix, and now are back in the mix from what I read here.

Representative Hess: Yes.

Senator Jane E. O'Hearn, D. 12: And, I am looking at a .1 weight for public school activity and a .15 for a public school course. I see you have defined the .15. What is a public school activity with a .1 weight?

Representative Hess: Okay. First of all, Madam Chair, let me say that this provision of the current bill was added by House Finance. It was not contained in the original version or the original version coming out of Ways and Means or the original version passed by the House. It was, however, the amendment was made with the assent of myself and Representative Kurk at the very least.

What we tried to do overall was as follows. Home schoolers, as you know as a commission member, were inadvertently included in the overall census on an equal level with publicly educated students. They were given the weight of .1 and I guess if they were sped or free and reduced lunch, they may have gotten elevated weights. We didn't intend that to begin with and so we wanted to fix that and we initially took 'em out 100%. Then the argument was made in Finance and it was persuasively made that we want to, number one, encourage school districts to provide supplemental assistance to home schoolers where their parents or the home schooling entity could not provide those services.

For example, extra-curricular activities, playing baseball or football or basketball. Maybe the home schoolers couldn't get a chemistry lab course, so they would have to go to the high school to get it. Okay? What we tried to do with this formula was say, okay, if a home schooler does anything in the public school system, registers, participates on Boy Scouts or an extra-curricular activity, we count that home schooler as one-tenth of a one student.

Then, we went on to say for each course, each full academic course that a home schooler enrolls in, we would count .15%. How did we arrive at that figure? Simple. We figured six full-time courses in the normal workload for a high school student. Divide .9 by 6 and that leaves you .15. So, what this number works out to is, if a home schooler were to be going to a public school full time, he would count as one, he or she would count as one, 1.0. That's how we arrived at the formula.

Senator Jane E. O'Hearn, D. 12: So, under Arabic 1.1, all our home schoolers have to register and every home schooler is counted?

Representative Hess: Well, we didn't say registered. We used the phrase participating. The word register was discussed in Finance, but the sense was that, by using the word participating, it had to be more than just registering.

Senator Jane E. O'Hearn, D. 12: Do we have a definition for it?

Representative Hess: Not in this bill.

Senator Jane E. O'Hearn, D. 12: Do you think it needs it?

Representative Hess: Might be helpful. It might be something where we could leave the administrative decision with the Department of Education.

Senator Jane E. O'Hearn, D. 12: On page 3, transportation costs. I know that transportation costs had been in a different mix and here we are using kindergarten through grade 8?

Representative Hess: Yes.

Senator Jane E. O'Hearn, D. 12: And, we are now including kindergarten in this cost, eliminating high school and the state law requires us to pay for transportation for grades one through eight. So, we are going one step beyond state law by paying for kindergarten also.

Representative Hess: That statement is correct and I can't tell you that that was an intentional decision made. We thought seriously about. One of the rationales for switching the transportation from 70% of total to 100% of the lower grades was to match more nearly the State statutory obligation already written into law. Actually, this goes far further than that because state law currently requires transportation, public transportation only for children living more than two miles away from the school in grades one through eight. This goes a little bit further.

Frankly, I don't know that inclusion of kindergarten was a deliberate policy choice made by the House or by yours truly.

Senator Jane E. O'Hearn, D. 12: And then, as reported under DOE 25, does that include extra-curricular activities?

Representative Hess: No, the dollar figure here again, in an attempt to recognize what the State currently does not require a school district to do and

taking that statutory definition as ipso facto the definition of adequacy for transportation purposes. It is 70%. Simply a to and from transportation cost.

Senator Jane E. O'Hearn, D. 12: Thank you. And, in the most, defined in the most recent census data, this is on line 19 and 20, page 3. How often is that updated?

Representative Hess: I am going to defer to Ms. Fellows on that question.

Senator Jane E. O'Hearn, D. 12: The other thing I read three times and couldn't understand is lines 26 through 27, adjustment percentage.

Representative Hess: I am going to defer to Ms. Fellows on that, too. That is part of the targeting formula and I'm sure there is a rationally, fully explainable, easily comprehendible explanation for that.

Senator Jane E. O'Hearn, D. 12: Okay. And, that goes along with what I was trying to say about the... Sally will define that one. Okay. Now, I am on page 4 now. Average daily membership in attendance, there is a change in definition.

Representative Hess: That was a change that was considered to be a technical change and I believe it is included in this bill at the request and/or suggestion of the Department of Education.

Senator Jane E. O'Hearn, D. 12: And, kindergarten is still considered half-day?

Representative Hess: Yes.

Senator Jane E. O'Hearn, D. 12: Page 5, the method of apportioning cooperative school districts.

Representative Hess: That, I believe, the only change there was to delete the reference to home education pupils as reflected on the ... Again, that was a change that I believe Ms. Fellows can answer.

Senator Sylvia B. Larsen, D. 15: Page 3, line 26. That appears to say that we will use a percentage, which will be a number which will bring our formula down to whatever is appropriated for a fiscal year for targeted educational grant.

Representative Hess: That is correct. You will see later on in the bill on page 4, lines 14 through 18, this bill specifically appropriates fixed amounts of

funds for targeted aid in '04, '05, '06 and '07 to ten million, fifteen million, twenty million and twenty million that I mentioned. I believe that adjustment percentage is designed to bring total targeted aid for those four years at least within those appropriation limits.

If you will look at that handout at number 5 which shows target aid distribution, you will see at top of that those columns the exact dollar figures that I just quoted. Fiscal year '04 is $10,244,000; '05 is $15,000,269; '06 is $20 million even (I don't know how that happened); and in '07, it is $2,001,076. So that adjustment formula does make the targeted aid fit within the appropriation, the specific appropriations of the bill.

Senator Sylvia B. Larsen, D. 15: Further question. I haven't had a discussion about this recently, but it seems to me that there is an assumption that we have oftentimes gone by, which is that we can't hold future legislatures to spending or any other set dollar level. Yet, this bill appears to set all the way to the year 2009 and beyond and what appropriations are going to be there. So, how are you getting by what I thought was a restriction on our ability to legislate beyond our two-year term?

Representative Hess: Senator, you can, almost all of the bills that we pass, except those with sunset provisions, are passed as if they were going to stay on the books indefinitely, forever and ever. Those include almost all bills, except the budget bills, which are expressly limited, and they include appropriations bills for targeted appropriations. Building aid, we make a commitment for and we have to find the money for. All variety of programs. This is a commitment on paper. If the appropriations aren't there, a future legislature can certainly reverse the decisions we make this year, just like they can on any other piece of legislation that we pass into law. It is a projection out of what will be if this law is enacted in its present form and remains unchanged during the years under consideration.

Senator Sylvia B. Larsen, D. 15: Thank you.

Senator Jane E. O'Hearn, D. 12: Thank you. Any further questions? Thank you, Representative.

Representative Hess: Let me say I will be happy to work with the Committee and I will be available during work sessions if you have other questions which I'm sure will arise.

Senator Jane E. O'Hearn, D. 12: Thank you.

Representative Hess: Thank you very much.

Senator Jane E. O'Hearn, D. 12: Representative Kurk is not here to testify.

Representative Hess: Representative Kurk is not here. He extended his apologies and asked me to offer you the same services that he will be available to the Committee if you have any questions of him specifically. He is not in Concord today for personal reasons.

Senator Jane E. O'Hearn, D. 12: Next I would like to call Keith Herman from the Governor's Office.

Representative Hess: Madam Chair, I have two other statements from two members of House Ways and Means that they asked I forward to you. They are significant in that these are two members of the House Ways and Means that voted against 608 in committee, but changed their minds shortly thereafter. **Please see letter from Representative Gibson and Representative Jasper, attached hereto and referred to as Attachment #1.**

Senator Jane E. O'Hearn, D. 12: Thank you. Welcome.

Keith Herman: Thank you, Senator and members of the Committee. For the record, I'm Keith Herman. I currently serve for Governor Benson dealing with policy and I am here today representing the Governor to talk about education funding and specifically HB 608 in front of you.

Let me first say that there are four principles regarding education funding which the Governor is demanding from an outcome to deal with the long-term solution. The Governor will only support a plan that stabilizes the base cost of an education and controls the future state contribution toward education to prevent the current cycle of increased spending without the ability to fund that spending. He will only support a plan that begins to target additional state aid to those students who need the resources the most. He will only support a plan that reduces the statewide property tax over time, if not eliminating it. He will only support a plan that ends involvement in education funding so that the elimination of the uncertainty that exists now occurs. So, the Governor is asking the Senate to only consider those plans which meet those four criteria. The Governor believes that HB 608 comes the closest to what the House has produced in achieving those four goals.

There has been some anecdotal conversations that the Governor did not have an education plan of his own. That is simply not true. The Governor is prepared to present that to the Committee, if it chooses. History is that, in his budget that the Governor submitted to the House, there was funding for

an education plan that was then represented in HB 2, which did not get a public hearing by the House Ways and Means Committee. Why I cannot answer. That was a decision of the Legislature to send a portion of HB 2 to the Ways and Means Committee and that did not get a public hearing. A full complete educational funding proposal was contained in HB 2, some of which has appeared now in HB 608.

There is a major difference between HB 608 and the plan that the Governor presented to the Legislature, that being the cost. HB 608 costs roughly $20 million more over the biennium than does the Governor's plan and that is made up of primarily two components. One, HB 608 targets, I believe $10 and $15 million in each year of the biennium. The Governor's plan had in its original proposal, $5 and $10 million in targeting, for a total of $15 versus $25 million. That is roughly $10 million there.

Second, the Governor's proposal reduced the statewide property tax at a different slope than what 608 proposes. 608 proposes going from a level 492 to 397, I believe, roughly, 372 in that area, over a period of years. The Governor's plan had the slope going from 510 to $3.00 over a five-year period. That change in slope also costs money and is in the Governor's original proposal. So, to that extent, the 608 spends more money than the Governor's original proposal.

The Governor supports in concept the goals of what 608 is trying to accomplish and that it meets his four criteria and he will be happy to answer any questions.

Senator Jane E. O'Hearn, D. 12: Any questions? Senator Larsen?

Senator Sylvia B. Larsen, D. 15: The Supreme Court decision required that any education plans we offer continue or purport every child to receive an adequate education and that it be done in such a way that the taxation is equal by communities across the state. Do you, on behalf of the Governor, are you saying that you believe that 608 meets that constitutional requirement or that you are going to bring a constitutional amendment to void out the court's involvement so you won't have to meet those requirements?

Mr. Herman The Governor has a little bit of concern about 608 in terms of its proposed length of time of its implementation. You have before you two education funding bills – 608 and 717. The theory that I understand the House gave you these proposals is that 608 would be an interim until there was some resolution through the judicial branch on whether 717 could be implemented constitutionally. That was my understanding of their decision

to send two bills over to the Senate. To that extent, the Governor does not support either plan because they are not long term and they are not constitutional.

If 608 were the only proposal going forward that the House and Senate of the Legislature agreed with, the Governor is confident that it would meet the court's mandate to provide an adequate education on its face.

Senator Jane E. O'Hearn, D. 12: Further questions? Thank you very much, Keith.

Mr. Herman: Thank you.

Senator Jane E. O'Hearn, D. 12: I have Representative Sam Cataldo, who is not wanting to speak. Representative Dan Hughes, who is opposed to the bill, but not wishing to speak.

Representative Dan Hughes: I do want to speak. Thank you.

Senator Jane E. O'Hearn, D. 12: Welcome to Senate Education.

Representative Hughes: Good afternoon honorary Senators. It is a pleasure to be here. I represent District 88 in Rockingham County and I am a member of the Ways and Means Committee. I appear today to speak against this bill for many reasons.

This bill, I feel, is just a continuation of the existing system, which is HB 999. That bill is a failure. We all know it is a failure and this bill is nothing more than tinkering with a failed system. This bill is, as is the existing system, unfair. It is upside down. It is Robin Hood in reverse. We end up getting town against town, generation against generation, new people against the existing people living in the areas. It creates nothing but hate and dissent.

When I say it is upside down and Robin Hood in reverse, I'm not gonna go through the list of all these runs to show you the towns, and every run is different, getting hit with a negative tax. Let's just take two. Let's take the richest town in the State, Windham, and the poorest town in the state by looking at their median household income and seeing what happens to them. The poorest town in the State by income is Lincoln. Now Lincoln has a median household income, according to the 2000 census, of about $28,580. They have a little of twelve hundred people live there and they are being asked by the State of New Hampshire to give a million two as their donation to support towns like Windham and Amherst and Bedford. Now, Windham, on the other income, has a median household income of approximately

$95,000 and they receive money in this crazy system. So, we are asking the poorest people in the State to subsidize the richest people in the State.

Now, I think any of you can figure out that is probably not good legislation and I think any of you can figure out that, if you median family income was $28,000, you would be hard pressed to make a living in this state and you wouldn't need your property taxes raised another $4.82 or $5.92. You're getting pressed enough.

We're gonna have legislation that we will discuss later that I feel is better legislation, but this is wrong to have a negative tax. Any economist in the country will tell you that and that's what we have all created here. This isn't the place to assess guilt or blame, but this is the time to lead and to legislate and to correct the mistake.

We hear about the rate being lowered and your taxes are going down. Well, that's why people don't trust politicians. That is truly the blue smoke and mirrors of this thing. Rate times value equals what you have to write a check for and it is called your property tax. Any person around who writes that check, and they know they are writing a bigger check this year than last year, knows that their taxes went up, no matter what you tell them the rate is.

Now, we have heard that the statewide assessment has gone up approximately 15%. That's probably right. In fact, they are going to drop the rate 15% in '04. So, that's not a reduction in your property taxes by any stretch of the imagination. But, it gets worse because, as you go out, they are gonna drop it be 20¢. Well, that's a 4% reduction if you go from your 490 down to your 472 or whatever it is. 4%.

I have been in real estate and real estate finance and development all my life and I can bet you dollars to donuts that in '05 we are going to have property appreciation greater than 4%. What we are really seeing here is a tax increase and it is a tax increase that makes it worse for the poorest people and better for the wealthiest people. It is a reverse negative tax any way you look at it and that's why I am here to speak against this bill. It's pretty simple.

I know a lot of people in my area that are getting hurt. I talked to a lady on the way down. I stopped to get my donut and my coffee this morning. She runs a little donut shop. Her taxes, and she lives in the City of Portsmouth, $10,000 for a shop smaller than this room. 10,000 bucks. She is going to be going out of business and that's what we're doing to this State. It has just got to stop. It's time for the Senate and the House to lead. Now is the time to do

it. Not to wait two years or three years and you're right, Senator. You can't legislate into the future too far.

One of the experts that testified on this bill, he told us that, after the first year, it is anybody's guess on these rates and these numbers. So, take all that paper. I don't know why Berlin is having a problem with all the runs we have been getting. Just forget anything beyond the first year, 'cause that's the only thing you can count.

I urge you to kill this bill and just chop its head off, drive a stake through its heart, bury it upside down. Get rid of it. This is bad legislation. It is a shame and it is an embarrassment to our great State.

Senator Jane E. O'Hearn, D. 12: Thank you. Any questions? Thank you very much. I have Representative Ken Weyler, who is opposed, not wishing to speak. Representative Tom McCormick, opposed by not wishing to speak.

Representative Tom McCormick: Correct.

Senator Jane E. O'Hearn, D. 12: Thank you. Representative Vivian Clark supports an amended bill and wishes to speak.

Representative Vivian Clark: Thank you very much. Good afternoon, Senators. I am Vivian Clark. I am one of the eleven people who now represent the hugmongous District 79 in Rockingham County and I am also a member of the Ways and Means Committee. If you don't mind, I would like to address a couple of the little questions that have come up along the way.

Part of the problem that you are having with Nashua or with respect to whether there is some sort of property tax savings is whether you interpret an increase that doesn't happen as a savings. If we have had property value escalations and we kept the property tax at 580, obviously, you would be paying a lot more tax. If we lower it down to 492, theoretically, you, as an individual, are paying the same amount of tax. Therefore, it raises the same amount of total money and whether or not you see that as a savings is open to interpretation.

Secondly, as to why Ways and Means did not have a hearing on the Governor's proposal. At the time that HB 2 came to Finance and was parceled out to have the various committees look at the portions that were part of their policy area, Ways and Means determined that, since the House had already passed 608 and 717, which were policy bills addressing education funding, that it was inappropriate for the trailer bill to include an educational funding proposal within it. So, we recommended that it be

deleted completely from HB 2, along with three or four other things in which bills had already passed the House and therefore we did not hold a hearing on it.

With respect to whether or not a bill like the one you will be hearing after this would be fairer to the poor people in a community like Lincoln, we do have some communities in the State that have very low, relatively low, per capita per household income. But they tend, like Lincoln, to be communities that also have very small resident populations and extremely small resident populations compared to their property valuations. I dare say that you could go to almost any town in the State that has a per household income double that of Lincoln's and you would find that the populations in those towns are also large enough so there are just as many households at $28,000 as there are in Lincoln. So, I don't see why we should be any more solicitous of the twelve hundred people who live in Lincoln than we are of any other community.

That gets me to my whole point with respect to 608. 608 at least addresses the fact that the current education funding procedure cannot be maintained indefinitely. The Center for Public Policy, Doug Hall's group, have indicated that there are two real faults with our education funding program. One of them is that it is based on too small a sample of school districts. The other one is that it does not adequately take into consideration all the costs of education. So, I am asking you please. I don't care whether you do it on 608 or 717, but I would like you to completely replace one of those bills with an education funding program which does both of those things and, at the same time, it also makes calculations and definitions that I believe anybody can understand.

Specifically, I am asking that you stop using artificially or accept a scheme which stops using artificially created students. Right now we take out student count and, if you are a high school student, we inflate that by 10% and, if you are a special needs student, we count you as two students instead of just one student. If you are in a community with a large amount of reduced price lunches, we count you as extra students and if you are any number of things, we add on these little things to where we get weighted students, which substantially increase the number over which student spending has to be distributed. The net result of that is that, even though the per capita distribution supposedly is, I think, in the order of $4,500, by the time you deflate that by the weighted students so that you get the amount per weighted student, it comes down to $3,300 some odd dollars. It is an odd number and it is totally artificial. We then take that totally artificial number of students and we multiply it by an amount of money that is completely artificial because it has been calculated by taking 80% of our

school districts, I think it is 80%, it might be 70% of our school districts, by their scores and then taking the bottom 40% in spending level of those and then averaging how much they spent and then deflating that by another, I think it is 13% or 9%, it changes periodically. And then further, taking that number and adjusting it for the weighting between students that actually exist and real students.

By now, I suspect everybody behind me, if not all those in front of me are totally lost. Alright? That's just what we do now. Now, they are asking you, in these targeting formulas, to add to that the definitions of targeting and adjustments and recalculations that virtually nobody understands. I am asking that you please use the real number of students out there.

We currently, in this state, on average, statewide, across all of the school districts in the state, spend $6,984 per elementary pupil and we spend $7,512 per high school pupil. So, I began thinking what would happen if we calculated what each town would spend, how much it would cost every town in the State if they spent exactly the statewide average. Now, talk about fair, folks, the reason or a large part of the reason behind the Claremont suits in the first place was that there were communities in this State who had equalized tax rate in excess of $30 who, even with that tax rate, could only afford to spend a little over $2,000 per pupil while, at the same time, in that year, there were other communities that had school tax rates on the order of $3.00, who could afford to spend over $8,000 per pupil. That's what prompted the Claremont lawsuits. Tax equity.

So, again, suppose we look at it from everybody spending exactly the average. Now, obviously, we don't have enough money for the State to support the entire cost of that. But that's alright because the Supreme Court said we get to define adequacy. So, one of the things that I did was, suppose we take that average level of spending for every school district and this was the one arbitrary thing in the whole bit. Arbitrarily declare that half of that constitutes adequacy. Apply the receipts from the statewide tax rate against that. Provide an adequacy grant just like we do now to make up anybody who doesn't raise the amount for adequacy on their statewide tax rate. Doing that actually costs significantly less than what we are doing now, but I don't want to decrease funding to education. I would like funding for education to stay at least what it is now, preferably go up.

So, I then said the fact that we have now lowered the cost of adequacy basically...

Senator Jane E. O'Hearn, D. 12: Representative Clark, are you speaking of a new formula or are you speaking on 608?

Representative Clark I'm asking that you replace all of 608.

Senator Jane E. O'Hearn, D. 12: With a whole new...?

Representative Clark: With a whole new gadget. Right. In fact, I have a draft, but since the draft is in the order of the legislation appears in the RSA, it is harder than step by step through the process.

At any rate, what I would then like you to do is, as I say, call adequacy as half. Then look at what the local tax rate would be to raise the additional...

Senator Jane E. O'Hearn, D. 12: I'm going to ask that you... We are already into our next session and, if you have an amendment, I would rather you speak to 608 rather than coming in with a new plan because we also have another plan that we have to listen to. If you would like to talk with any one of us on your amendment, you're welcome. If we have to recess this in order to take in your amendment, I will do that.

Representative Clark: Senator, in that case, what I would like to do is to give you a copy of a draft of the amendment. I don't really care whether it replaces 608 or 717, but I hope that you will look at it. I did send an e-mail to everybody on this Committee and on Ways and Means, Senate Ways and Means, asking that they consider this weeks ago, but I did not get a response from anyone. I, however, do have both the draft of the amendment drawn up by Legislative Services with only a couple of small glitches. I also have and, as I say, I will leave for each one of you, copies of spreadsheets showing, and I can provide this on disc and I can also do a calculation, spreadsheets showing how it is calculated and the net effect and, most importantly, and this is the part that I hope you will each look at. I have another spreadsheet showing, if you looked at every town in terms of suppose they spent the same amount per pupil for all of their pupils. What their total tax rate, total education tax rate, would be based on 608, 717, and what I am proposing. Alright?

And, I particularly would like to call your attention to the fact that, under 608, the difference between the lowest costing in terms of tax rate towns and the highest costing tax rate towns.

Tape change.

...52¢ in tax rate. Under 717, that difference is from 97¢ to $24.57. Under what I am proposing, it is $5.03 to $12.86.

Senator Jane E. O'Hearn, D. 12: Thank you.

Representative Clark: And, I will leave copies of all three of those.

Please see Representative Clark's Draft Amendment to HB 608 or 717-FN-LOCAL #2003-1339h, attached hereto and referred to as Attachment #2.

Transcriber's note: Recorder indicated in her notes that Representative Clark "handed in 3 packets", but did not identify those packets in the file. Transcriber is unsure of identity and is therefore unable to attach the submission to this transcript.

Senator Jane E. O'Hearn, D. 12: Thank you very much. Any questions? Thank you very much, Representative Clark. Representative Susan Almy speaking opposed.

Representative Susan Almy: Thank you, Senators.

Senator Jane E. O'Hearn, D. 12: Welcome.

Representative Almy: We have been treating you as the Ways and Means Committee. I am hoping to say a little bit more now that all the Senators are leaving, more about education. But, I do need to say a little bit, some of which may repeat, unfortunately, what others have said.

If we were a town, when our assessments went up, our tax rate would automatically go down. Taxpayers would only pay more for any increase in the cost of services. The $4.92 tax rate is essentially that - the State bringing the tax rate down to where we are not paying more. It is something we should have done automatically. So, I and other people who are opposed to the bill, start from there. We are not, we do not think that it is a savings to give back the 88¢ that we shouldn't have had in the first place.

We want to look at the grants and what the State is providing for our local communities. Both 608 and 717 return the cost of education back to the locally varying property tax. They do this by defining down the cost of an adequate education even further than the ludicrous level that we had it at the last term and then we institute a cap on inflation. Inflation in the State contribution to education is capped, but there is nothing to cap the inflation in real school costs except the ever-increasing burden on the local property taxpayer.

If you look at year to year inflation and real school costs in this State, there have been a few years when it was even lower than inflation as measured by

the New England CPI. And, I want to distribute. I don't know whether to give you enough for everybody who was here at the beginning.

Please see "Calculation of Effects of Use of CPI Deflator on Real School Costs", attached hereto and referred to as Attachment #3.

Senator Jane E. O'Hearn, D. 12: I believe they will all be back.

Representative Almy: There have been a few years when the inflation in real school costs were even lower than the inflation in the CPI but, over the last twenty-two years for which we have both Department of Education data and CPI statistics, in sixteen years, our school costs inflation was higher. And, it was usually higher by two to three times. This is because school costs depend much more on salaries and health costs than does the CPI. Unless you think teacher salaries in this State are going up too fast, they are going up more slowly than median income in this State and have been for some time.

If school inflation grows at the average rate of the last twenty-two years as versus the carefully selected nine years that Representative Hess submitted, in 2012, they will have grown 80% faster than the average CPI in the same period. Given that we will soon face a major teacher shortage, we are more likely to return to that same cost inflation that has occurred over the last century than we are to stay with the low inflation rates of the 1990s. All that cost inflation is going to go back on our local property taxes.

If you insist on throwing the burden back on the property taxpayer, at least do it fairly. HB 608's cuts contradict the intention to target aid to the neediest communities. Even without that targeting mechanism, most of the Claremont coalition towns and a great deal of other towns lost money absolutely from 2003. Even with the targeting mechanism, Claremont and Pittsfield and a great deal of other towns get less money in 2004 than they have received in 2003. I'm not even talking about inflation here. I'm talking about basic paper dollars.

This is not rational. Actually, I am repeating the previous speaker a bit. This bill moves $94 million over the biennium back from the State obligation to the local property tax. It was presented to the House as a choice. Either you accept a lower State contribution to education or we will raise the statewide property tax by keeping the rate higher. Over reliance on the property tax adds to our housing crisis, thus blunting our prospects of economic growth. It is throwing older people out of their homes and chasing away young people trying to start families. Removing the little progress we had made towards a more balanced revenue system is, in the not so long run, economic and social suicide for our State and for our towns.

I implore you to simply amend HB 608 to the revenue neutral position and stop passing costs back to our local communities.

I did want to just add that I find, and a number of us found, Vivian Clark's proposal very interesting, but it is as unconstitutional as 717 at this point. If one of them is, the other one is. You need to deal with that. I personally feel that it is a great mistake to use real students, as she puts it in the formula. One of the advantages we have over the Supreme Court decision in Vermont is that we are to guarantee an adequate education to all of our students. It costs more to educate a special education child. It costs more to educate a lower income child or an Arabic speaking child who has landed here as an immigrant. In Vermont, they are now running into the problem where they were told to give equal amounts to every school district for each child. They are running into the problem that that's not enough for some school districts and it is too much for others.

Senator Jane E. O'Hearn, D. 12: Thank you. Questions of Representative Almy? Thank you very much. Next, I would like to call Representative Burling.

Representative Peter Burling: Madam Chair, may I ask a question?

Senator Jane E. O'Hearn, D. 12: This is a hearing.

Representative Burling: It is a procedural question.

Senator Jane E. O'Hearn, D. 12: Go ahead.

Representative Burling: I want very much to testify, but I know you're under time constraints and I would like to give the public a chance to speak as well. Are there members of the public who would like to speak?

Senator Jane E. O'Hearn, D. 12: I have just a few more people.

Representative Burling: I would be happy to yield.

Senator Jane E. O'Hearn, D. 12: Thank you. Dean Michener from the School Boards Association in opposition.

Dean Michener: Thank you, Madam Chair. Dean Michener, representing the New Hampshire School Boards Association and today my comments reflect those of Mark Joyce and the New Hampshire School Administrators Association as well.

Our comments today really pertain to both bills that are in front of you this afternoon and I would like to offer this testimony relative to those bills, HB 608 and HB 717.

As the school boards and school administrators review these bills, we have looked at them in terms of basically four different criteria and we would like to share that criteria for how we evaluate the value and impact of potential changes in our funding laws.

First of all, does the proposed change meet the criteria of the Claremont court decision? We believe that that decision clearly defines public education as a State responsibility and it indicates the Legislature has a responsibility to define adequacy, implement a system to fund educational adequacy, and ensure that it is delivered to all children everywhere.

Second, does the proposed change maintain a realistic contribution of State resources to support public education? It is important that the State's funding system be based on realistic considerations of the actual cost of public education that are incurred by local New Hampshire school distribution, that the State maintain a high level of commitment, and that it contain sufficient resources to support, at the local level, both state and federal requirements.

Third, does the proposed change contribute to creating a stable and predictable system of educational to our communities? It is important that our education funding law be stable and predictable from year to year to allow for prudent planning by educators and taxpayers alike. It is essential that the impact of any change in law be clearly understood by communities before beginning the budget development process each year. This refers to a budget development process that begins in August, runs throughout the fall and into the winter, and culminates in the annual school district meetings. Obviously, any change that might be implemented now which would affect year's 2003-2004 school aid was unknown during the budget development process that took place last fall and was acted on by school district meetings just last month.

Finally, does the proposed change recognize that some communities need additional resources to meet the challenges of achieving adequacy for all students? It is important that we help our poorer communities with targeted assistance that will provide additional programs and opportunities for students to achieve and meet adequacy standards.

As I reviewed both HB 608 and 717, and I have enclosed a spreadsheet that was developed by the Legislative Budget Assistant's Office, and I just want to make clear what is contained in this spreadsheet.

The very first column is the current law and the amount of aid, and I will say aid as education funding grants, grants that were received by local communities. The second column is HB 608 with a $10 million targeted program. The third column is HB 717 and the fourth column is the current formula, but recognizing a drop in the statewide property tax to $4.92 based on our knowledge of the increases in equalized valuation and the need to drop that statewide property tax. That has already been adequately discussed.

The spreadsheets that have been distributed have shown the State totals for those. I thought it was helpful to add the receiver town only benefit. In other words, in FY 2003, $443 million was distributed in grants to local communities, but approximately $32 million came in as excess payments from donor towns, making the State commitment $411 thousand. So, that's the difference in those two statewide totals.

From our analysis, the maintenance of the current formula, with the reduced statewide property tax, best meets the criteria we have outlined. While not perfect, it does maintain a strong State commitment for public education, it is predictable and stable, it uses a system that has been judged to be legal, and it has a relationship to the actual expenses incurred by school districts.

When you consider changing our current program, you need to be careful not to lose any progress that we have accomplished over the last few years and I think we should also be careful to distinguish between our concerns regarding the source of revenue that we have chosen to fund our programs from the amount of aid that should be distributed to school districts in a responsible fashion.

HB 608 still maintains a relationship to expenditures and it is similar to the current system that has been judged to be legal. However, it does shift costs to the local school tax rate by reducing eligible areas for reimbursement and it caps the growth to the Northeast Consumer Price Index, which shifts the impact of new initiatives directly onto the local tax rate. I am talking about new initiatives at both state and federal, and also including the No Child Left Behind Act.

HB 717 sets in motion a planned change in funding by launching a transition that leads to a new targeted aid system in the future. Reductions in state property tax is our desired goal and the addition of targeted aid is a strength of the bill. But, this change, predicated upon unapproved appropriations by

future legislatures, legally diminishes the State's responsibility for delivery of adequacy to all children and, since the constitutional amendment that had been originally coupled to HB 717 is gone, there is no guarantee that the State will maintain it's obligation or that the transition program will be phased in successfully.

With that, I will close my comments and I will be glad to answer any questions.

Please see Mr. Michener's typewritten testimony, attached hereto and referred to as Attachment #4.

Senator Jane E. O'Hearn, D. 12: Thank you. Questions of Mr. Michener? Thank you, Dean.

Mr. Michener: Thank you.

Senator Jane E. O'Hearn, D. 12: Next I would like to call Frank Bass of SAU 37. Welcome.

Frank Bass: Thank you, Madam Chairman. Nice to see you again. My name is Frank Bass and I'm the Assistant Superintendent for SAU 37 in the City of Manchester. I am here before you to talk about the adequacy grant and what it means to towns like Manchester. Please bear in mind that Manchester is the largest city in the State of New Hampshire. Our current population is approximately 107,000 and growing.

As you well know, we have the largest school system in the State of New Hampshire. We currently employ over twelve hundred teachers. I would like to say that we should have approximately fourteen hundred teachers. You should know that we currently have over a hundred and fifty sections in our high schools with thirty or four more kids in them. That's an absolute travesty as far as we're concerned. We would like to hire more teachers to bring those numbers down. You may have read recently in the newspapers that a $100 million bond has just been passed for the City of Manchester to renovate twenty-one of our twenty-two schools. We hope this will be a catalyst for change in the Manchester public schools and help bring about some of the resurgence that maybe you have read about in the papers regarding the Verizon Center and some of the other new economic initiatives that have recently come into the City of Manchester.

But, back to the schools, as I said, we have a large population. You should know that our homeless population is among the largest in the state as well. There are currently over 1,750 homeless families in the City of Manchester.

Over one hundred and eighty-five of those people currently go to the Manchester public schools. As you know, according to (inaudible) v. Doe, U.S. Supreme Court, we have an obligation to educate all of those students, which we do. You should also know that we are a refugee center. The City of Manchester takes in any and all refugees. With that, we now have approximately 1,750 refugee students in the City of Manchester, representing ninety-two different languages. Therefore, our ESOL population has expanded considerably. We are anticipating over two thousand students in the Manchester public schools next year who will be in need of ESOL services.

Truancy and dropout are also major issues in Manchester. As I'm sure you have read in the newspapers, the dropout rate in the Manchester public schools is somewhere in the vicinity of 25%. It is among the worst in the State and is certainly something we're not very proud of. You should also know, and I know that Mary Ford is here with us today, that the State of New Hampshire received a $250,000 grant to target dropout prevention at Franklin and at Central High School, our inner city school in Manchester. We have high hopes for what that grant, as well as a number of other initiatives within the Manchester public schools, will do to mitigate against the dropout rate. You should know this year alone that dropout number is diminishing significantly. We anticipate 30% reduction in the number of dropouts in the Manchester area from last year to this year.

So, my point is that the City of Manchester is making every effort to try and increase and improve the educational quality and opportunity for all students who attend the Manchester public school system. But, as you also well know, the industrial, commercial and property values in the City of Manchester barely eke out enough to cover our basic costs for providing an education. As I'm sure you're well acquainted with, we spend approximately $6,200 per student to educate in the City of Manchester, which is well under the state average. The adequacy grant is significant for us in the City of Manchester.

We implore you, we encourage you, to strongly consider giving every consideration possible to keeping this adequacy to targeted areas like the City of Manchester as high as possible. I'm not here to support specifically 606 (sic) or 717. I'm here to again say to you, distinguished Senators, please bear in mind where the City of Manchester is in terms of its provisions and its opportunities for education for all of our students and to please keep that in mind as you move through Bill 606 (sic) and 717 and any other such amendments that may come your way. With that, I will close my remarks.

Senator Jane E. O'Hearn, D. 12: Any questions? Thank you very much.

Mr. Bass: Thank you, Senator.

Senator Jane E. O'Hearn, D. 12: Wait a minute.

Senator Carl R. Johnson, D. 2: How many students do you bring in from other towns?

Mr. Bass: We currently have 1,727 students that represent the Towns of Bedford, Auburn, Candia, and Hooksett, and they pay a tuition rate that is equal to the rate that the City, that we have calculated, that we spend on our students, so $6,200.

Senator Carl R. Johnson, D. 2: That was going to be my second question. Thank you.

Senator Jane E. O'Hearn, D. 12: Further questions? Thank you very much. Next is Tom Donovan from the Manchester School Board.

Tom Donovan: Thank you, Madam Chair. My name is Tom Donovan. I'm a member of the Manchester School Board. I chair its Finance Committee. We have a large school board. We have fourteen members and so we do a lot of our work in committees like you do and I happen to chair the Finance Committee.

You've heard from Dr. Bass about some of the challenges we face in Manchester. As you know, Manchester is an immigrant city. It is a city of workers and that is reflected in our school population. Our student population is increasing, as is the population of our city. We welcome these new residents. They come from throughout the State of New Hampshire and they also come from around the world. But, as Dr. Bass told you, it creates challenges to us in terms of students who have limited English proficiency, students who need free and reduced lunch. 33% of our students currently are eligible for free and reduced lunch. We have a higher than statewide average level of special education students. We educate them. We have six elementary schools with a 30% or higher turnover within the same year of students. That creates a real challenge for teachers to teach reading and math in those lower levels. As well as the homeless students that Dr. Bass talked about.

To meet that challenge, we are using the adequacy grant that we are receiving from the State and I'd like to thank you for the adequacy grant because it is making a difference. It is allowing us in Manchester to begin to plan to make improvements in our schools and we have three goals on the school board that we have set. One, as Dr. Bass mentioned, is to reduce the

dropout rate. We have initiated several programs specifically designed to meet the needs of teenagers who think that they've got an option other than staying in school. We have a couple of them. I don't have the time to talk about them, but we're spending resources on that.

Second is to improve our facilities. We have twenty-three schools, most of which have been in need of repair. As you heard, we were pleased to have the Board of Mayor and Alderman approve a $100 million bond, which is something that has never happened in Manchester, to improve and renovate all of our schools at once. The adequacy grant has given us the flexibility to be able to afford the debt service on that.

Our third goal is to improve student performance. Our NEAP scores are something that we are looking at very carefully. We need to improve reading, particularly at the lower grades, and we are working on that. Smaller classes are a factor in that, in grades one, two and three, and we're working on that. Again, that is your adequacy dollars at work.

We need to build on the progress we are beginning to make in Manchester and, in order to do that, we really need a long-term commitment from the State to the adequacy grant formula. So, my request to you is that, in your consideration of HB 608 and 717 and any amendments that may come down, that you consider Manchester and its need for long term, consistent, substantial adequacy grants. Thank you very much.

Senator Jane E. O'Hearn, D. 12: Thank you. Representative Burling?

Representative Peter Burling: Thank you, Madam Chair. For the record, my name is Peter Burling. I represent District 19 and I am the Democratic Leader of the New Hampshire House. I am here to make just a couple of points.

First, let me say I am here in passionate, passionate opposition to HB 608. It is the wrong solution to a problem that we have been struggling with for a long time. It is the wrong solution because, on top of a number of other things that are happening in this State, it is a decision, if 608 passes, with significant negative consequences for all the schools and communities in our State.

First, let me talk about the context in which 608 is before us. We know, because the Doug Hall report of approximately a month ago that we all read, which focuses on the economic consequence of reducing the number of school districts that make up the adequacy calculation which have the affect next year of taking $94 million in State support which ought to be expended down.

It removes that $94 million because the calculation in the adequacy grant formula which now heavily depends upon Manchester, understates the obligation of the State of New Hampshire that ought to be met in next year's formula. So, we have already made a legislative decision, which takes $94 million that ought to be there and removes it.

We have now 608, which is basically a budgetary document. This isn't about school funding. This is about balancing the State of New Hampshire's budget. It is critical because it takes $60 million out of next year's State obligation and removes it. The consequence of removing it is that $60 million which the State ought to be sending to our local communities doesn't get sent. That's the arithmetic. It isn't complicated math; it isn't trig. It's arithmetic. You remove $60 million from next year's distribution by adjusting the formula and that's what has happened here in 608.

What you do is you leave seventy-eight communities in this State with a net real diminution of their grant. And, I'm just talking about the recipient towns. I'm not talking about the communities that will have to send more money to the State of New Hampshire as a donor grant. More money than what? More money than what they would have had to send if we hadn't fussed with the formula. For those communities, we should probably be saying to ourselves, are all the rich communities. Right? Amherst. Well, Amherst is on the list. It does get a reduction in its grant, but so does Claremont. It is a net real loser.

Now, that's an odd outcome if what we are really trying to do is make our provision of services and support to local schools more efficient. But, this bill isn't about doing that. This bill is about balancing the state budget.

Now, two things happened in the main presentation by the prime sponsor. First, a statement was made that the alternative to HB 608 was a hopeless go nowhere idea. Well, I realize that I'm usually a backer of losing causes, but a hundred and fifty-six of us did vote for an idea that was better than 608 and that idea was simply don't mess with the formula, don't throw a spanner into the work that your commission did, Madam Chair, over the course of the last two years. But, do reduce the statewide property tax rate so that we are dealing with revenue neutral numbers. Everybody in the House agreed that we should go to revenue neutral numbers. Had the House backed that idea as a hundred and fifty-six of us did, every community in the State would have had either a higher grant, significantly, or a lower donor contribution. Absolutely true, we would have had to come up with either cuts in the State budget or additional revenue to find that $60 million, which brings us once again to the plain truth of this document. This is about balancing the state budget and that's why I would like to conclude with this thought.

What we ought to be doing is evaluating the consequences of the act that we take. We should stop analyzing the politics, the political careers and hopes of some of our membership or persons on the second floor, and we should begin to think about the real needs of the people who sent us here. For the citizens of Cornish, Plainfield and Grantham, who will do significantly less well if we pass 608, I say I would rather find a revenue source other than the property tax to pay for education than pass 608.

I will be explicit. I would be happy to look at an increase in the cigarette tax, which would more than cover what would be necessary to do something responsible. I would be happy to sit down and work with the majority party on any other combination of revenue sources. But, to simply dump an additional $60 million in costs back onto the local property taxpayer is a serious error and when that is loaded on top of the $94 million that Doug Hall has already pointed out to us and when that is loaded on top of whatever the consequence of No Child Left Behind may be, we may be doing irreversible damage. It is a step backwards in our history, which we ought not to take.

I know some of you passionately disagree with me, but I thank you for listening.

Senator Jane E. O'Hearn, D. 12: Questions from the Committee? Senator Foster?

Senator Joseph A. Foster, D. 13: Thank you, Madam Chair. You heard the testimony of Dean Michener and he passed out a spreadsheet. The option that you have talked about where I think a hundred and fifty-six Representatives voted for it. Do you know if that was the 492 under the current formula that he is talking about?

Representative Burling: Thank you for the question. It was known in the vernacular as the Hager Amendment because it was put forward by Representative Hager. It is simply based on the notion that let's not throw a spanner into the adequacy formulation that currently exists. Let's simply do that which we all agree ought to happen and that is to reduce the statewide property tax rate to 492, which is what it would be to be revenue neutral next year.

If I may, Senator, I will leave with you this sheet. You will notice that I have got checkmarks through it. Those are the towns that will lose money if 608 passes. They have actual real grant losses.

Transcriber's note: Recorder did not identify the sheet to which Representative Burling refers and transcriber is therefore unable to attach his submission to this transcript.

I did notice that the prime sponsor said in here that everybody seems to do better, except maybe a third. It is worth analyzing the towns that actually lose money from 2003 to 2004. There are some surprising developments in there.

Senator Joseph A. Foster, D. 13: As I see it, it is the one formula where my community, Nashua, improves actually from all the plans. So, I see your point. Thank you.

Senator Jane E. O'Hearn, D. 12: As the advocacy commission of the previous administration worked on this fixing and tweaking and working with unintended consequences, in order to keep the money in the bill, you would then conclude that we should keep the pre-school, the transportation costs and home schoolers involved in this formula?

Representative Burling: Yes.

Senator Jane E. O'Hearn, D. 12: Thank you.

Representative Burling: May I answer why?

Senator Jane E. O'Hearn, D. 12: Yes.

Representative Burling: Where I come from transportation costs for high school students are in fact a problem for some school districts. Not every school district in my area in the upper valley provides transportation for high school students, but some do. Home schoolers, in my two towns west of the mountain, Plainfield and Cornish, home schoolers utilize the services of the Cornish and Plainfield schools. Zeroing them out does not zero out the actual expenditure which schools make to provide services for some of those students. I don't understand how we can make a judgment that in order to achieve an arithmetic result, it is okay simply not to count a group of students who are in fact part of the education process. It doesn't make sense to me.

Senator Jane E. O'Hearn, D. 12: They are not zeroed in. They are weighted.

Representative Burling: Then, they are underweighted. As I understand it, they are zeroed out. But, Senator, you and I can have that discussion at another time.

Senator Jane E. O'Hearn, D. 12: Thank you. Further questions? Thank you.

Representative Burling: Have a good day.

Senator Jane E. O'Hearn, D. 12: On this slip of paper, there is someone that has signed up to speak in support, but didn't sign their name. Is there someone in the room? I know the Department of Ed has not signed up, but I would like to call the Department of Ed to go through one piece if there is anything else in here that we need to attend to. Thank you, Sally.

Sally Fellows: Good afternoon, Madam Chair.

Senator Jane E. O'Hearn, D. 12: Good afternoon.

Ms. Fellows: I have some handouts and an explanation of the targeting formula.

Senator Jane E. O'Hearn, D. 12: Thank you.

Ms. Fellows: I know it was about an hour ago that there were some technical questions about some components of the bill. I know one had to do with the change in the ADM definition. I can also go over those. I did want to point out two technical issues with the bill.

I will hand up to you this piece of paper. It has to do with the treatment of special ed and vocational transportation expenditures. **Please see "HB 608 & 717", Revised 4/30/03 DOE", attached hereto and referred to as Attachment #5.**

608 eliminates transportation reimbursement, except for the regular to and from school transportation. That will necessitate an increase in catastrophic aid because, at the moment, schools are only allowed to ask for reimbursement for 30% of their special ed transportation expenditures in catastrophic aid. When it is no longer covered by adequacy, we should, we will allow them to submit 100% for catastrophic reimbursement. Because of that change, there will need to be an increase to the catastrophic appropriation if we are going to come up to the full funding level. That was not recognized at the time the budget was initially submitted. We did

provide some information to the House, but I don't think they were, they didn't make any inquiry.

There is also a much smaller impact that also is affected by tuition and transportation.

And then, the other thing I will do before I leave is I will hand you this fiscal impact statement. **Please see "State of New Hampshire, Office of Legislative Budget Assistant, Fiscal Note Worksheet", attached hereto and referred to as Attachment #6.** This is just a copy of what is in the LBA's Office. If you read the technical corrections, you will see that there is an issue just in terms of language so that it makes clear the effective date of some of the things in the bill.

Would you like me to answer questions or to talk about the targeting?

Senator Jane E. O'Hearn, D. 12: I think the question is about the targeting. Just a quick explanation.

Ms. Fellows: I have a handout and I will be as quick as possible with this. It is easier to actually do it with this handout and I've got some extras here. **Please see Info Services, NH Dept of Ed "HB 608 Targeting Formula – State Average for FY04", attached hereto and referred to as Attachment #7.**

The purpose of this targeting formula is to provide additional assistance to districts that are poor. You know, when you ask that question poor, how do you measure that? The easiest. If you are going to use one factor, the easiest way to measure it would be based on equalized valuation per pupil and we have seen that used in a number of different sorts of formulas. But, that doesn't give us the whole picture. That equalized valuation per pupil doesn't take into account income in the community. So, sometimes you see formulas that try to average equalized valuation and income and that's better, that's an improvement, but it still doesn't get at the actual relationship that exists between those two factors. This formula does. It looks at the inter relationship between income, between property tax base, and the way that it does that is that it uses the value of the median value of an owner occupied property in the community. And, I'll just walk you through the steps that this formula uses.

Senator Joseph A. Foster, D. 13: Just so I understand, because it has been troubling me. Why are we using...? When we talk about median home value, we are not including apartments.

Ms. Fellows: That's correct. The census figure, the only census figure that's collected related to home value, is the value of an owner occupied home.

Senator Joseph A. Foster, D. 13: Follow up? But, we do use median household income?

Ms. Fellows: Actually, this formula uses median family income. There are multiple income measures. There's per capita, median, household median, family. This one uses family.

Senator Joseph A. Foster, D. 13: So, we use the median, whatever is income for the whole community, but we don't have housing from everybody in a community. In a community like I live in, a lot of people are in apartments or rental units. How does that all sort out?

Ms. Fellows: The rationale for that is who pays the property taxes. Most likely it is a typical family that lives in a home. If they are going to pay property taxes directly, that family is living in a home that they own. Renters pay it, but it is indirect, it is tied up in business profits.

Senator Joseph A. Foster, D. 13: But, it is in their rent. You agree that they pay it. The landlord doesn't subsidize the taxes. What I'm trying to understand is how does that fit into your formula? Does it end up in effectively overweighting home values in communities where there is a lot of renters?

Ms. Fellows: I don't. No, because it also uses the total property tax base of the whole community. If I walk through the steps, it might make some more sense and then you can ask some more questions.

There is not a lot of targeting money available in this formula. $10 million in the overall cost of education isn't a whole lot. But, this formula looks at about $1,000 per pupil and says that is the amount that we are interested in considering for targeting.

So, the first step in this formula is to take one-half of one percent of the income of the typical family and these numbers that you are looking at on the front page are the State average. So, for the State average, one-half of one percent of the typical median family income is $288. The next step for this process is to ask to raise $288 through a property tax on the typical home, which is $133,300, what would the tax rate have to be? So, the tax rate would have to be $2.16 per thousand.

Then, if you were to take this tax rate and apply it to the entire property tax base, how much per pupil would that raise? That would raise $214 million and, on a per pupil basis, that turns out to be a little over $1,000. So, that's the target amount that we're working with. From that point, the formula compares those numbers for each individual town to the State average. It is going to ask, can the individual town raise that $1,079 or more when you assess the typical home at a rate that delivers half of a percent of the income of the typical family. If it doesn't come up to that level, then the formula awards aid to that town. So, this is just stepping through an example of towns, just a town that has below average income. Almost $20,000 below. So, they can't raise $288. They can only raise $187. Then, it applies in the typical home in this particular community also happens to be well below the State average. So, the tax rate turns out to be whatever it is based on those numbers and, in this case, this particular community can only raise $657 instead of the $1,079. So, this formula will try to make up that difference. The last line is multiplied by the per pupil, so it would come up to be $63.

But, you will see on two pages later that, because $47 million is not available, an adjustment will have to be made. That was one of the questions that came up, how that adjustment would be made.

On the next page, this just shows you some examples. The first line is the State average so there would be no attempt to aid a town that has the State average in terms of income, housing value or equalized valuation. If the equalized valuation is 25% below the State average, but everything else is the same, then before you have to make the adjustment to match the appropriation and the funding would be $270 per student. Lowering only the income 25% has the same effect. All other things being equal, if the home value is the only thing that is the difference between two communities, then the community with the higher home value that needs the aid and that amount is shown here.

Then, I have shown the affect when sometimes when two of these things come into play and this is why this formula is more sophisticated than just averaging income and equalized valuation per pupil.

As you can see on the next to last example, if you had a community that had 25% lower equalized valuation per pupil, under the traditional averaging, it would say that that town was more needy than the State average. But, if the home value, which hasn't been considered before, is also lower, then the burden, the property tax burden on the typical homeowner isn't any more. So, that's how those work.

I hate to take up too much of your time.

The last page is exactly like the second page, but this has the adjustment in it because there's not $45 million available, there's only $10 million available for the first year. So, there is an adjustment factor in here to bring it down to the $10 million level. Generally, there are two ways with funding formulas to make an adjustment is you need to lower the allocation to an appropriation level. The simplest way is just to do a pro rata. You just take a percent. 50%, 25%, whatever you need to do.

The other way that was used by the Augenblick formula, is that you subtract a per pupil amount from everyone and what happens when you do that is, if you have two towns and maybe one of them has an allocation, you are trying to allocate $500 per student and in another one you are only trying to allocate $100 per student, then you have to subtract $2.00, $10.00, or maybe even $100 per pupil from everyone. When you do that, you would subtract $100 per student, that lower funded district ends up with zero. The $500 district drops down to $400 per student. So, when you take that approach, you fund fewer districts. When you do a pro rata, you fund all the same districts, but they might only get half as much money.

So, that is the talking fast version of the targeting formula. Are there any questions?

Senator Jane E. O'Hearn, D. 12: Is there a way to amend this bill so that we don't lose catastrophic aid?

Ms. Fellows: You could put back into the bill plus, you could put back in plus special ed expenditures at the elementary level and high school level. Then you wouldn't need that extra amount. Special ed transportation is $20 million and, if you fund 70% of that, it means you are going to need $14 million in adequacy.

Senator Jane E. O'Hearn, D. 12: I will work with you on getting an amendment.

Ms. Fellows: Then, there is tuition transportation, but that amount is much lower.

Senator Jane E. O'Hearn, D. 12: Further questions? Thank you, Sally. Someone else has just signed in. Representative Christine Hamm. You can speak. I am already an hour and a half into my next. Not to repeat anything that has already...

Representative Christine Hamm: I will be quick. I just want to address four points. I am Representative Christine Hamm from District 34 and I am a member of the Ways and Means Committee.

The four points that to say was that I think, unfortunately, with this bill, it has coupled things together that people, one thing people can agree with, and that is that as appraisals go up, then the rates should go down and that's level funding. I think you have heard testimony to that effect. I think where the disagreement arises is where we get into this distribution of funds.

Second, I think that that was introduced in our Committee with a statement by the sponsor that it was an attempt to control the spiraling costs to the State. So, in other words, I would echo what Representative Hughes and Representative Almy from our Committee have said, that this does not really address the concerns that we have. It is intended to benefit a political construction, which is the State, and really not benefit for the constituents that we have been elected to serve.

Third, I think, to go back to a question that you had about savings. I think that that has been said is a matter of interpretation, but I think in fact that could be said to be a disingenuous way of putting that. So, I think there are not any real cost savings in this.

And, fourth, I would like to say, I don't know if it has been brought up, but the Committee, you have heard testimony from various members of the Committee and many of the members of the Committee have signed up against this bill, and I would just like to say that the final vote on that was eleven to ten. Even, I don't know, perhaps I am overstepping my bounds and forgive me because I am a freshman and I don't really know the, what I should be saying or not saying. But, even the letters that you have received to date with people rescinding their votes, that was under considerable political pressure.

Senator Jane E. O'Hearn, D. 12: Thank you. Questions?

Senator Richard Green, D. 6: May I ask a question about the vote. The Education Committee in the House. Which committee in the House?

Representative Hamm: The Ways and Means Committee.

Senator Richard Green, D. 6: The vote was eleven to ten?

Representative Hamm: Eleven to ten.

Senator Richard Green, D. 6: To do what?

Representative Hamm: To pass this bill.

Senator Richard Green, D. 6: Okay. Thank you.

Senator Jane E. O'Hearn, D. 12: Further questions? Thank you. That is the last person. I am going to recess this hearing to take into consideration some of the amendments we have so that we can move along into the next bill.

Hearing recessed at 3:30 p.m.

Respectfully submitted,

L. Gail Brown

Recorded by Merideth Chandler
Transcribed by L. Gail Brown
8/04/03

7 Attachments

State of New Hampshire

Attachment #1

HOUSE OF REPRESENTATIVES

CONCORD

John M. Gibson
Representative
District 58

Shawn N. Jasper
Representative
District 66

March 12, 2003

Fellow Republican:

As members of the Ways and Means Committee who voted "no" in executive session on HB-608, we urge you NOT to make the same mistake that we did. We got caught up in very technical aspects of the bill; We lost sight of the big picture.

HB-608 is a crucial step in restoring YANKEE COMMON SENSE to state fiscal policy when it comes to education funding.

You should consider the following important points on HB-608:

⇒ **Controls future increases in education funding by indexing costs to the Northeast Consumer Price Index.**

⇒ **Reduces the Statewide Property Tax by 88 cents per thousand of assessed property value. The SWPT rate drops to $4.92 per $1000. This means the owner of a home assessed at $200,000 will enjoy a *tax cut* of $176.**

⇒ **Frees up millions of dollars to target state aid to communities in need.**

⇒**Re-affirms the time honored New Hampshire tradition of local control.**

The need to pass HB-608 as amended is necessary to avoid a $120 million deficit in Fiscal years '04 and '05. Please join us in now supporting the majority of Ways and Means and **VOTE YES on the OTP/AM motion on HB-608.**

Sincerely,

John M. Gibson

Sincerely,

Sean N. Jasper

Attachment #2

Rep. V. Clark, Rock 79
April 21, 2003
2003-1339h
04/09

Draft Amendment to HB {608 or 717-FN-LOCAL

Amend the bill by replacing all after the enacting clause with the following:

1 Statement of Purpose.

I. The general court finds that the present system of providing adequate education grants to support public elementary and secondary education does not sufficiently serve the objective of equalizing educational opportunity in the state, does not efficiently direct state resources to school districts based on fiscal need, does not encourage frugality, and provides inadequate assistance to communities with lower ratios of equalized valuation to students.

II. The general court recognizes the inherent imprecision and subjectivity involved in determining the cost of providing the opportunity for an adequate education. In the exercise of its constitutional authority and discretion, to provide the opportunity for pupils to obtain an adequate education, the general court has adopted an average costing methodology. The general court recognizes that this costing methodology may produce spending pressures and results that may not accurately reflect the cost of continuing to provide adequate educational opportunity over time. As a result, the general court finds that changing the state's contribution to the funding of education by reference to the consumer price index is the most appropriate way to assure that the state continues to provide students with the opportunity for an adequate education.

III. The general court further finds that the local portion of the cost of education is primarily funded through a local tax on property. In municipalities that have little industry, commercial properties, or vacation homes, local tax rates must be proportionately higher to support equivalent levels of education funding. Targeted education grants will assist those municipalities that have lower per-student equalized valuations in providing additional educational services.

2 Education Property Tax; Fiscal Year 2004 Rate Reduced. Amend RSA 76:3 to read as follows:

76:3 Education Property Tax. An annual education property tax at the uniform rate of [~~$5.80~~] ***$4.54*** on each $1000 of the value of taxable property is hereby imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F.

3 Education Property Tax; Fiscal Year 2005 Rate Reduced. Amend RSA 76:3 to read as follows:

76:3 Education Property Tax. An annual education property tax at the uniform rate of [~~$4.54~~] ***$4.34*** on each $1000 of the value of taxable property is hereby imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F.

4 Education Property Tax; Fiscal Year 2006 Rate Reduced. Amend RSA 76:3 to read as follows:

76:3 Education Property Tax. An annual education property tax at the uniform rate of [~~$4.34~~]

$4.14 on each $1000 of the value of taxable property is hereby imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F.

5 Education Property Tax; Fiscal Year 2007 Rate Reduced. Amend RSA 76:3 to read as follows:

76:3 Education Property Tax. An annual education property tax at the uniform rate of [~~$4.14~~] ***$3.94*** on each $1000 of the value of taxable property is hereby imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F.

6 Education Property Tax; Fiscal Year 2008 Rate Reduced. Amend RSA 76:3 to read as follows:

76:3 Education Property Tax. An annual education property tax at the uniform rate of [~~$3.94~~] ***$3.74*** on each $1000 of the value of taxable property is hereby imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F.

7 School Money; Definitions Amended. RSA 198:38, V-VI are repealed and reenacted to read as follows:

V. "Base expenditure per elementary pupil" for each school district that operates an elementary school means the amounts calculated in accordance with RSA 198:40, I(a).

VI. "Base expenditure per high school pupil" means the amount as determined in accordance with RSA 198:40, I(b).

8 Reference Changed. RSA 198:38, XII is repealed and reenacted to read as follows:

XII. "Adequate education cost" means the amount calculated for a municipality in accordance with RSA 198:41, I(c). In a cooperative school district, the adequate education cost shall equal the sum of the adequate education costs of the municipalities whose pre-existing school districts constitute the cooperative school district.

9 School Money; State Aid for Public Schools; Subdivision Heading Amended. The subdivision heading immediately preceding RSA 198:39 is repealed and reenacted to read as follows:

State Aid for Public Schools; Education Trust Fund

10 School Money; Education Trust Fund. The introductory paragraph of RSA 198:39, I is repealed and reenacted to read as follows:

I. The state treasurer shall establish an education trust fund in the treasury. Moneys in such fund shall not be used for any purpose other than to distribute to municipalities' school districts adequate education grants pursuant to RSA 198:42, education targeted aid grants pursuant to RSA 198:41-a, and education transition grants pursuant to RSA 198:41-b, and to provide education property tax hardship relief under RSA 198:55. The state treasurer shall deposit into this fund immediately upon receipt:

11 New Paragraph; Increase in Distribution from Trust Fund Limited. Amend RSA 198:39 by inserting after paragraph II the following new paragraph:

III. Beginning with fiscal year 2004, and for every fiscal year thereafter, the amount distributed from the education trust fund shall be the amount distributed in the immediately preceding year from all sources other than excess education property tax payments, increased by the

average annual percentage rate of inflation for the 4 immediately preceding calendar years, as measured by the most recent available northeast region consumer price index for all urban consumers as published by the Bureau of Labor Statistics, United States Department of Labor, plus the amount deposited into the education trust fund from excess education property tax payments.

12 School Money; Determination of Per Pupil Adequate Education Cost. RSA 198:40-41 are repealed and reenacted to read as follows:

198:40 Determination of Per Pupil Adequate Education Cost and Adequate Education Grant.

I. For the fiscal year beginning July 1, 2003, and every fiscal year thereafter, the adequate education cost per pupil shall be established as follows:

(a) The department of education shall calculate the base expenditure per elementary pupil for each school district that operates an elementary school by subtracting from the total expenditures at the elementary school level, tuition to other school districts or approved educational programs, capital costs and debt service on such costs, special education costs, food service costs, transportation costs, adult/continuing education and community services costs, and federal revenues not otherwise deducted. For each school district, this amount shall be divided by the average daily membership in attendance at the elementary school level to attain the base expenditure per elementary pupil.

(b) The department of education shall calculate the base expenditure per high school pupil for each school district that operates a high school by subtracting from the total expenditures at the high school level, tuition to other school districts or approved educational programs, capital costs and debt service on such costs, special education costs, food service costs, transportation costs, adult/continuing education and community services costs, and federal revenues not otherwise deducted. For each school district, this amount shall be divided by the average daily membership in attendance at the high school level to attain the base expenditure per high school pupil.

(c) The department of education shall then calculate the statewide average base expenditure per elementary pupil and the statewide average base expenditure per high school pupil.

(d) The adequate education grant amount for each elementary pupil shall be ½ of the statewide average base expenditure per elementary pupil; and the adequate education grant amount for each high school pupil shall be ½ of the statewide average base expenditure per high school pupil.

II. For each fiscal year, the statewide cost of an adequate education for all pupils shall be calculated by multiplying the adequate education grant amount for each elementary pupil by the statewide average daily membership in residence of elementary pupils and multiplying the adequate education grant amount for each high school pupil by the statewide average daily membership in residence of high school pupils and then adding the 2 products together.

198:41 Determination of Adequate Education Grants.

I. Except for municipalities where all school districts therein provide education to all of their pupils by paying tuition to other institutions, the department of education shall determine the

amount of the adequate education grant for the municipality as follows:

(a) Multiply the adequate education grant amount for each elementary pupil by the average daily membership in residence at the elementary school level for the municipality.

(b) Multiply the adequate education grant amount for each high school pupil by the average daily membership in residence at the high school level for the municipality.

(c) Add the amounts calculated in subparagraphs (a) and (b).

(d) Subtract from the sum of subparagraph (c) the amount of the education property tax warrant to be issued by the commissioner of revenue administration for such municipality reported pursuant to RSA 76:9 for the next tax year.

II. For municipalities where all school districts therein provide education to all of their pupils by paying tuition to other institutions, the department of education shall determine the amount of the adequate education grant for each municipality as the lesser of the 2 following calculations:

(a) The amount calculated in accordance with paragraph I of this section; or

(b) The total amount paid for items of current education expense as determined by the department of education minus the amount of the education property tax warrant to be issued by the commissioner of revenue administration for such municipality reported pursuant to RSA 76:9 for the next tax year.

13 New Sections; School Money. Targeted Education Grants and Transition Grants. Amend RSA 198 by inserting after section 41 the following new sections:

198:41-a Targeted Education Grants.

I. In this section:

(a) "Total equalized valuation" shall mean the most recent available total equalized valuation, including utilities and railroads, as determined by the department of revenue administration.

(b) "Residual local tax rate" for a municipality shall mean the local tax rate that would have to be raised without additional revenues in order for the municipality to fund education at the statewide average per pupil rate. Such rate shall be determined by dividing the adequate education cost in a municipality, as calculated in accordance with RSA 198:41, I(c), by the total equalized valuation of such municipality.

(c) "Maximum residual local tax rate" means the amount of residual local tax rate above which targeted education grants will be distributed.

II. The department of education shall annually calculate the amount of each municipality's targeted education grant as set forth in this paragraph.

(a) The department of education shall calculate the residual local tax rate for each municipality and the statewide average of such residual local tax rates.

(b) For fiscal years 2004 and 2005:

(1) For each municipality where the residual local tax rate exceeds the statewide average of such residual local tax rates, the department of education shall calculate the difference between the statewide average residual local tax rate and the residual local tax rate for the municipality. The targeted education grant amount for each of these municipalities shall be the product of this difference multiplied by the municipality's total equalized valuation for the year in which the calculation is made.

(2) For each municipality whose residual local tax rate is less than the statewide average residual local tax rate, the targeted education grant amount shall be zero.

(c) Beginning July 1, 2005 and for every fiscal year thereafter:

(1) The department of education shall determine the amount available for targeted education grants by subtracting from the amount available for distribution from the education trust fund, the amounts necessary for adequate education grants and property tax hardship relief.

(2) The department of education shall determine the maximum residual local tax rate for the fiscal year which the balance determined in (1) will accommodate.

(3) For each municipality whose residual local tax rate exceeds the maximum residual local tax rate, the department of education shall calculate the difference between the maximum residual local tax rate and the residual local tax rate for the municipality. The targeted education grant amount for each of these municipalities shall be the product of this difference multiplied by the municipality's total equalized valuation.

(4) For each municipality whose residual local tax rate is less than the maximum residual local tax rate, the targeted education grant amount shall be zero.

III. Targeted education grants made under this section shall be distributed in accordance with RSA 198:42.

198:41-b Transition Education Grants.

I. For fiscal years 2004 and 2005, each municipality in which the amount of the adequate education grant received in fiscal year 2003 exceeds the sum of its adequate education grant and targeted education grant for the immediately preceding fiscal year, shall receive an additional transition grant. The amount of this grant shall be ½ of the difference between the amount of the adequate education grant received in fiscal year 2003, and the sum of its adequate education grant and targeted education grant for the most recent year.

II. Transition education grants made under this section shall be distributed in accordance with RSA 198:42.

14 Repeal. The following are repealed:

I. RSA 198:38, VII, relative to the definition of weighted pupils.

II. RSA 198:38, VIII, relative to the definition of educationally disabled child.

III. RSA 198:41-a, relative to targeted education grants.

IV. RSA 198:41-b, relative to transition education grants.

15 Effective Date.

I. Section 2 of this act shall take effect and shall apply to education property taxes due for the tax year beginning April 1, 2004.

II. Section 3 of this act shall take effect and shall apply to education property taxes due for the tax year beginning April 1, 2005.

III. Section 4 of this act shall take effect and shall apply to education property taxes due for the tax year beginning April 1, 2006.

IV. Section 5 of this act shall take effect and shall apply to education property taxes due for the tax year beginning April 1, 2007.

V. Section 6 of this act shall take effect and shall apply to education property taxes due for the tax year beginning April 1, 2008.

VI. Section 11 of this act shall take effect July 1, 2004.

VII. RSA 198:41-a, II (b) and RSA 198:41-b, as inserted by section 13 of this act shall take effect July 1, 2004.

VIII. RSA 198:41-a, II (c), as inserted by section 13 of this act shall take effect July 1, 2005.

IX. Paragraphs III and IV of section 14 of this act shall take effect July 1, 2006.

X. The remainder of this act shall take effect July 1, 2003.

2003-1339h

AMENDED ANALYSIS

This bill:

I. Provides that the calculation of the statewide cost of an adequate education shall be indexed to the northeast regional consumer price index for all urban consumers for the 4 immediately preceding calendar years.

II. Reduces the education property tax rate from $5.80 to $4.54 for the 2004 fiscal year, and thereafter further reduces the rate by 20 cents per fiscal year through the 2008 fiscal year.

III. Revises the base expenditure per pupil calculation and provides that the adequate education grant amount shall be ½ of the statewide average base expenditure per pupil for elementary and high school pupils.

IV. Provides for targeted education grants to certain municipalities which have a residual local tax rate that exceeds the maximum residual local tax rate as calculated by the department of education.

V. Provides for transition education grants in fiscal years 2004 and 2005 for certain municipalities.

Attachment #3

Calculation of Effects of Use of CPI Deflator on Real School Costs

Year	CPI NE % change over prior	If Expend/ADM=100 in 1981 - Expend/ADM	If CPI=100 in 1981 - CPI	If Current ADM=100 in 1991 - ADM	If CPI=100 in 1991 - CPI
1981	10.7%	100.0	100.0		
1982	5.3%	107.5	105.3		
1983	4.2%	115.9	109.7		
1984	4.7%	123.9	114.8		
1985	3.7%	137.1	119.1		
1986	2.5%	158.0	122.1		
1987	4.4%	176.6	127.5		
1988	5.0%	203.0	133.8		
1989	5.6%	231.3	141.3		
1990	6.0%	254.1	149.8		
1991	4.5%	265.7	156.6	100.0	100.0
1992	3.4%	266.0	161.9	100.1	103.4
1993	2.8%	263.6	166.4	99.2	106.2
1994	2.4%	265.3	170.4	99.9	108.8
1995	2.6%	281.2	174.8	105.9	111.6
1996	2.8%	293.8	179.8	110.6	114.8
1997	2.4%	307.3	184.2	115.7	117.6
1998	1.4%	310.8	186.8	117.0	119.3
1999	2.1%	319.1	190.7	120.1	121.8
2000*	3.4%	324.8	197.1	122.3	125.9
2001*	2.8%	337.0	202.6	126.8	129.4
2002*	2.1%	362.2	206.8	136.3	132.1

Average inflation
1981-2002 3.9%
1991-2002 2.7%

	Since 1981	Since 1991
In 2002, increase in real school costs relative to CPI	**1.75 X CPI**	**1.03 X CPI**
2002-2012 increase in real school costs relative to CPI assuming inflation at same average rate (below) as prior period (22 or 12 years)	**1.80 X CPI**	**1.06 X CPI**
2003	386.9	214.8	140.5	135.7
2004	413.2	229.4	144.7	139.4
2005	441.3	245.0	149.1	143.2
2006	471.3	261.7	153.6	147.1
2007	503.3	279.4	158.3	151.1
2008	537.6	298.5	163.0	155.2
2009	574.1	318.7	168.0	159.5
2010	613.2	340.4	173.1	163.8
2011	654.8	363.6	178.3	168.3
2012	699.4	388.3	183.7	172.9

A Check on Calculations for Annual Reductions in the SWPT in HB608

	FY04	FY05	FY06	FY07	FY08	
Total EAV(a)	$96,206,897	$103,903,448	$110,137,655	$114,543,161	$119,124,888	(Millions)
SWPT collected(b)	$473,338	$490,424	$487,910	$450,155	$357,375	(Millions)
SWPT rate in HB608	**$4.92**	**$4.72**	**$4.43**	**$3.93**	**$3.00**	
SWPT if stable(c')	$473,338	$486,591	$500,216	$514,222	$528,620	
Stable SWPT rate(d)	**$4.92**	**$4.68**	**$4.54**	**$4.49**	**$4.44**	

(a) excluding utilities; grown at rates Hess & Blatsos said - 8% '05, 6% '06, then 4% pa
(b) at 4.92, 4.72, 4.43, 3.93, 3.00 - rates bill calls for
(c') amount to collect if add 2.8% CPI - but not any pupil growth - to cost of education funded by SWPT
(d) assumes $4.92 rate right for stability at beginning

I move

Attachment #4

NEW HAMPSHIRE SCHOOL BOARDS ASSOCIATION

Dean Michener
Interim Executive Director

To: Senate Education Committee

From: Mr. R. Dean Michener, NH School Boards Association
Dr. Mark V. Joyce, NH School Administrators Association

Re: Testimony on House Bills 608 and 717

Date: April 30, 2003

Good afternoon, my name is Dean Michener and I am representing NH School Board members as well as Mark Joyce, Executive Director for the NH School Administrators Association. I am testifying today in support of the current educational funding law and to illustrate some potential impacts of these two proposed bills on school districts and communities. We offer these comments based on the best information we have been able to gather at this point in time.

To begin, we would like to share our criteria for evaluating the value and impact of potential changes to New Hampshire's current educational funding system. These criteria can be grouped into four critical questions:

1.) Does the proposed change meet the criteria of the Claremont Court Decisions?
The Supreme Court decisions clearly define public education as a state responsibility, indicating the legislature has a responsibility to define adequacy, implement a system to fund educational adequacy, and ensure that it is delivered to all children everywhere.

2.) Does the proposed change maintain a realistic contribution of state resources to support public education?
We believe it is important that the state's educational funding system a) be based on realistic considerations of the actual cost of public education, b) maintain a high level of state commitment, and c) contain sufficient resources to support state and federal requirements.

3.) Does the proposed change contribute to creating a stable and predictable system of educational aid to our communities?
It is important that the law be stable and predictable from year to year in order to allow for prudent planning by educators and taxpayers alike. In particular, it is essential that the impact of any change in law be clearly understood by communities before beginning the budget development process each year (August for the next July). Obviously, any change that might be implemented now, effecting next year's aid, was unknown during the budget development process that took place last fall, culminating in district meeting votes last month.

4.) Does the proposed change recognize that some communities need additional resources to meet the challenges of achieving adequacy for all children?

It is very important that we help our poorer communities with targeted assistance that will provide additional programs and opportunities for students to achieve and meet adequacy standards.

A review of education grants to local communities based on these proposals allows an analysis of the above criteria. Respectfully from our analysis, the maintenance of the current formula, with a reduced state property tax ($4.92) - Column 4, best meets our criteria. While not perfect, it maintains a strong state commitment for public education, is predictable and stable, uses a system that has been judged to be legal and has a relationship to the actual expenses incurred by school districts.

As we consider possible changes we must be careful not to lose any progress that has been accomplished. We should distinguish between our concerns regarding the source of revenue chosen by the legislature from the amount of aid schools receive, or state share of responsibility.

HB 608, while not perfect, still maintains a relationship to expenditures, and is similar to the current system that has been judged to be legal. However, it appears to shift costs to the local school tax rate by reducing eligible areas for reimbursement (e.g. high school transportation, home educated students) and caps growth to the CPI, which shifts the impact of new initiatives directly onto the local tax rate (e.g. NCLB, Spec. Ed.).

HB 717, while not perfect, sets in motion a planned change in funding by launching a transition program that leads to a new targeted aid system in the future. The reduced state property tax is a desired goal and the addition of targeted aid is a strength of the bill. The proposed change is, however, predicated on unapproved appropriations by future Legislatures and it legally diminishes the state's responsibility for delivery of adequacy to all children everywhere. Now that HB 717 is no longer coupled with CACR13, there is simply no guarantee that the state will maintain its obligation or that the transition program will be successfully implemented.

We thank you for the opportunity to testify and would be happy to respond to any questions now or in the future.

R. Dean Michener (phone) 228-2061 (email deanm@nhsba.org)

Mark V. Joyce (phone) 753-4479 (email - mark@nhsaa.org)

Data from LBA

Education Funding Grants

City/Town	FY 2003 Current Law	HB 608 FY 2004 with $10 mil Target @ 4.92	HB 717 FY 2004	2004 Current Formula @ 4.92	HB 608 FY 2005 with $15 mil Target @ 4.72	HB 717 FY 2005	FY 2005 Current Formula @ 4.72
State Total	411,192,479	421,650,499	404,963,346	482,184,740	431,717,012	410,049,963	465,097,668
"Receiver" towns only	443,872,753	451,518,398	404,963,346	507,462,861	463,379,875	410,049,963	493,639,604
ACWORTH	454,885	444,282	470,433	511,299	458,850	488,263	503,051
ALBANY	296,462	299,390	294,471	339,040	307,678	306,706	330,045
ALEXANDRIA	664,882	678,444	590,785	780,166	689,523	590,785	763,983
ALLENSTOWN	2,988,367	3,109,664	3,061,895	3,213,320	3,226,774	3,165,589	3,182,759
ALSTEAD	1,068,301	1,188,641	1,184,065	1,256,927	1,228,474	1,236,909	1,242,222
ALTON	(671,701)	(1,015,589)	-	(671,163)	(1,084,631)	-	(810,183)
AMHERST	4,497,298	4,499,018	3,541,543	5,222,042	4,546,795	3,541,543	5,014,997
ANDOVER	738,141	653,948	555,524	787,158	661,089	555,524	761,132
ANTRIM	1,709,311	1,771,781	1,806,001	1,927,031	1,831,902	1,935,628	1,902,605
ASHLAND	775,763	774,082	669,901	898,852	796,131	669,901	877,635
ATK. & GILMANTON ACAD.	(2,859)	(3,666)		(3,666)	(3,798)		(3,798)
ATKINSON	659,805	691,834	337,587	988,945	673,775	337,587	870,082
AUBURN	2,017,132	1,906,335	1,587,787	2,206,552	1,934,424	1,587,787	2,140,903
BARNSTEAD	1,882,860	1,916,247	1,657,848	2,192,912	1,970,497	1,657,848	2,146,769
BARRINGTON	3,317,670	3,197,793	2,650,423	3,569,089	3,300,194	2,650,423	3,482,554
BARTLETT	(943,667)	(685,616)	-	(520,440)	(731,722)	-	(614,612)
BATH	499,308	501,298	531,294	572,273	511,981	545,438	564,003
BEAN'S PURCHASE	(394)	(383)		(383)	(397)		(397)
BEDFORD	2,936,292	3,302,186	2,017,879	4,312,803	3,260,123	2,017,879	3,924,918
BELMONT	3,749,353	3,061,599	2,608,362	3,441,571	3,151,013	2,608,362	3,370,713
BENNINGTON	798,620	767,764	788,136	843,491	793,438	846,806	832,319
BENTON	146,106	101,237	99,827	113,674	102,824	100,268	110,879
BERLIN	5,219,978	6,326,338	5,314,655	6,522,733	6,545,235	5,314,655	6,477,173
BETHLEHEM	1,173,593	1,207,506	1,160,961	1,284,756	1,245,306	1,183,693	1,259,772
BOSCAWEN	1,673,764	1,552,644	1,557,963	1,699,064	1,605,950	1,613,521	1,670,587
BOW	3,316,195	3,419,192	2,797,384	3,928,636	3,465,260	2,797,384	3,804,679
BRADFORD	611,928	563,826	602,094	698,500	571,184	624,882	679,044
BRENTWOOD	744,921	888,773	664,244	1,032,940	896,167	664,244	983,309
BRIDGEWATER	(180,095)	(237,591)	-	(197,446)	(253,213)	-	(227,095)

Data from LBA

Education Funding Grants

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"Receiver" towns only	443,872,753	451,518,398	404,963,346	507,462,861	463,379,875	410,049,963	493,639,604
BRISTOL	1,277,699	1,288,054	1,070,541	1,465,557	1,322,370	1,070,541	1,425,770
BROOKFIELD	200,549	111,878	81,765	149,099	111,177	81,765	138,560
BROOKLINE	2,300,454	2,344,807	1,917,236	2,545,186	2,420,837	1,917,236	2,489,972
CAMBRIDGE	(13,196)	(24,957)		(24,957)	(25,964)		(25,964)
CAMPTON	1,585,768	1,360,633	1,142,752	1,517,424	1,399,622	1,142,752	1,484,436
CANAAN	1,690,129	1,782,839	1,497,556	1,927,411	1,842,661	1,497,556	1,896,521
CANDIA	1,489,959	1,419,372	1,199,966	1,667,036	1,460,050	1,199,966	1,617,535
CANTERBURY	566,397	474,124	393,153	596,273	477,390	393,153	569,945
CARROLL	(357,402)	(228,087)	-	(191,180)	(241,865)	-	(215,377)
CENTER HARBOR	(778,220)	(664,927)	-	(620,640)	(697,723)	-	(671,520)
CHANDLER'S PURCHASE	(86)	(83)		(83)	(86)		(86)
CHARLESTOWN	2,966,468	3,340,965	3,311,165	3,454,442	3,459,973	3,394,380	3,425,526
CHATHAM	65,689	93,416	68,673	108,415	93,642	68,673	102,956
CHESTER	1,508,829	1,432,623	1,250,246	1,764,450	1,472,690	1,250,246	1,707,312
CHESTERFIELD	1,211,939	1,440,637	1,118,281	1,580,313	1,476,084	1,118,281	1,528,781
CHICHESTER	722,688	706,045	624,705	873,271	715,052	624,705	846,409
CLAREMONT	7,770,492	7,591,450	7,641,634	8,089,730	7,850,026	7,675,797	7,999,296
CLARKSVILLE	122,483	76,346	60,478	88,140	76,926	60,478	84,813
COLEBROOK	1,248,812	1,313,254	1,148,993	1,430,067	1,358,837	1,148,993	1,416,202
COLUMBIA	379,895	386,470	428,226	455,617	394,432	434,039	450,089
CONCORD	13,953,855	14,266,407	11,926,751	15,961,516	14,709,444	11,935,407	15,521,732
CONWAY	2,538,172	2,706,791	2,228,168	3,387,668	2,730,140	2,228,168	3,236,777
CORNISH	786,045	806,749	663,333	862,053	831,096	663,333	846,692
CRAWFORD'S PURCH.	(1,199)	(694)		(694)	(719)		(719)
CROYDON	238,249	183,903	168,631	203,415	186,475	170,782	196,395
DALTON	460,940	534,170	551,980	590,997	550,711	570,418	583,123
DANBURY	615,998	490,176	517,829	573,906	503,539	537,374	562,588
DANVILLE	1,760,257	1,932,661	1,880,647	2,107,220	2,001,352	1,885,252	2,061,493
DEERFIELD	1,724,247	1,878,642	1,581,711	2,119,222	1,931,728	1,581,711	2,069,745

Data from LBA

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State Total	411,192,479	421,650,499	404,963,346	482,184,740	431,717,012	410,049,963	465,097,668
"Receiver" towns only	443,872,753	451,518,398	404,963,346	507,462,861	463,379,875	410,049,963	493,639,604
DEERING	847,031	961,541	1,076,906	1,156,896	990,908	1,093,855	1,140,752
DERRY	19,489,262	19,934,524	19,181,610	20,888,129	20,642,417	19,888,747	20,543,723
DIX GRANT	(3,348)	(3,979)		(3,979)	(4,122)		(4,122)
DIXVILLE	(78,321)	(84,941)		(84,941)	(88,007)		(88,007)
DORCHESTER	184,385	214,663	213,347	230,042	221,728	233,761	226,672
DOVER	6,337,094	5,577,784	4,337,779	6,698,587	5,717,467	4,337,779	6,383,944
DUBLIN	(8,210)	(211,374)	-	(119,882)	(228,170)	-	(152,439)
DUMMER	91,376	113,415	83,912	128,215	113,975	83,912	122,404
DUNBARTON	592,454	657,515	587,123	842,826	663,257	587,123	813,122
DURHAM	1,430,893	1,608,488	1,123,327	1,857,189	1,647,792	1,123,327	1,750,986
EAST KINGSTON	606,917	631,127	505,515	743,006	647,847	505,515	713,933
EASTON	(18,992)	(39,430)	-	(29,083)	(42,349)	-	(34,880)
EATON	14,632	62,010	24,780	69,822	59,890	24,780	61,656
EFFINGHAM	426,013	513,373	498,365	578,005	528,440	507,672	561,932
ELLSWORTH	19,893	6,983	1,377	8,327	6,723	1,377	6,976
ENFIELD	1,236,383	1,286,914	1,055,340	1,486,026	1,305,432	1,055,340	1,438,473
EPPING	2,595,364	2,554,018	2,516,537	2,812,274	2,640,687	2,578,870	2,752,589
EPSOM	1,543,580	1,573,536	1,258,149	1,700,870	1,620,348	1,258,149	1,658,453
ERROL	(32,345)	(15,891)	-	(11,585)	(18,694)	-	(18,603)
ERVING'S GRANT	(315)	(465)		(465)	(481)		(481)
EXETER	4,258,782	4,652,248	3,538,960	5,128,054	4,807,621	3,538,960	4,939,360
FARMINGTON	4,648,241	4,865,565	4,928,872	5,153,039	5,031,554	5,052,637	5,107,798
FITZWILLIAM	939,203	818,016	736,048	991,826	830,196	736,048	967,662
FRANCESTOWN	539,501	575,371	503,682	697,785	582,460	503,682	677,400
FRANCONIA	40,405	(34,537)	-	3,204	(43,732)	-	(22,113)
FRANKLIN	5,267,689	5,339,119	5,521,212	5,797,706	5,520,625	5,690,730	5,741,904
FREEDOM	(474,235)	(634,410)	-	(600,038)	(665,012)	-	(644,694)
FREMONT	1,412,976	1,543,706	1,257,574	1,700,623	1,592,296	1,257,574	1,658,119
GILFORD	243,439	353,480	-	720,961	312,521	-	556,732

Data from LBA

Education Funding Grants

City/Town	FY 2003 Current Law	HB 608 FY 2004 with $10 mil Target @ 4.92	HB 717 FY 2004	2004 Current Formula @ 4.92	HB 608 FY 2005 with $15 mil Target @ 4.72	HB 717 FY 2005	FY 2005 Current Formula @ 4.72
State Total	411,192,479	421,650,499	404,963,346	482,184,740	431,717,012	410,049,963	465,097,668
"Receiver" towns only	443,872,753	451,518,398	404,963,346	507,462,861	463,379,875	410,049,963	493,639,604
GILMANTON	1,218,445	1,192,859	935,655	1,303,208	1,207,668	935,655	1,263,932
GILSUM	300,713	322,823	346,980	374,863	333,041	364,746	369,236
GOFFSTOWN	5,501,613	5,190,024	4,418,877	6,064,174	5,333,265	4,418,877	5,896,960
GORHAM	1,161,654	1,410,835	1,170,199	1,507,909	1,457,598	1,170,199	1,483,405
GOSHEN	411,628	420,600	442,330	475,494	434,109	464,065	468,801
GRAFTON	535,651	585,945	588,126	635,390	605,657	600,693	625,851
GRANTHAM	(364,891)	(260,543)	-	(179,122)	(283,335)	-	(231,209)
GREENFIELD	856,934	690,509	727,433	811,009	711,804	764,542	794,142
GREENLAND	(76,568)	49,734	-	144,471	28,529	-	74,118
GREEN'S GRANT	(15,311)	(11,246)		(11,246)	(11,652)		(11,652)
GREENVILLE	1,384,369	1,451,584	1,477,665	1,539,553	1,505,882	1,612,576	1,527,063
GROTON	294,697	273,274	281,410	307,068	279,634	297,440	301,890
HALES LOCATION	(175,764)	(178,219)		(178,219)	(184,652)		(184,652)
HAMPSTEAD	3,446,438	3,386,010	2,743,833	3,899,831	3,492,549	2,743,833	3,768,882
HAMPTON	(1,385,987)	(1,228,189)	-	(695,570)	(1,365,745)	-	(1,048,682)
HAMPTON FALLS	(174,008)	52,221	-	131,787	38,921	-	83,806
HANCOCK	521,316	410,995	322,661	522,554	411,324	322,661	494,248
HANOVER	(1,258,899)	(1,103,102)	-	(890,890)	(1,195,854)	-	(1,096,308)
HARRISVILLE	164,938	62,622	47,923	144,795	58,570	47,923	127,033
HART'S LOCATION	(14,244)	(22,069)	-	(19,627)	(23,212)	-	(21,448)
HAVERHILL	2,562,617	2,787,913	2,889,470	3,048,350	2,878,567	2,890,358	3,016,285
HEBRON	(494,062)	(470,322)	-	(456,535)	(489,998)	-	(481,755)
HENNIKER	2,126,355	2,404,410	2,309,068	2,525,278	2,485,127	2,320,510	2,481,643
HILL	424,590	480,254	477,654	522,883	494,730	513,766	513,755
HILLSBORO	3,626,828	3,264,117	3,544,558	3,783,036	3,365,426	3,660,199	3,734,907
HINSDALE	2,811,182	2,987,460	3,019,525	3,148,594	3,095,457	3,094,801	3,122,546
HOLDERNESS	(397,085)	(220,075)	-	(92,713)	(244,830)	-	(152,342)
HOLLIS	1,307,949	1,606,607	1,017,115	1,984,636	1,596,395	1,017,115	1,827,314
HOOKSETT	2,794,547	2,815,667	2,171,010	3,409,759	2,834,231	2,171,010	3,240,742

Data from LBA

Education Funding Grants

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State Total	411,192,479	421,650,499	404,963,346	482,184,740	431,717,012	410,049,963	465,097,668
"Receiver" towns only	443,872,753	451,518,398	404,963,346	507,462,861	463,379,875	410,049,963	493,639,604
HOPKINTON	1,764,456	1,903,219	1,630,468	2,311,778	1,941,909	1,630,468	2,235,099
HUDSON	7,497,262	6,919,448	5,425,440	8,075,410	6,993,062	5,425,440	7,742,983
JACKSON	(697,364)	(647,256)	-	(625,571)	(677,115)	-	(664,300)
JAFFREY	2,437,571	2,351,558	1,961,937	2,596,111	2,422,781	1,961,937	2,541,309
JEFFERSON	489,854	466,337	397,246	528,306	474,039	397,246	516,674
KEENE	7,885,617	8,840,490	8,734,339	9,733,470	9,132,235	8,761,253	9,531,827
KENSINGTON	401,436	479,612	325,217	560,890	480,621	325,217	525,458
KINGSTON	1,871,285	1,974,380	1,643,788	2,356,373	2,025,951	1,643,788	2,273,879
LACONIA	5,756,193	6,478,976	5,355,695	7,317,222	6,643,166	5,355,695	7,121,133
LANCASTER	2,237,848	2,335,831	2,096,940	2,605,296	2,411,126	2,096,940	2,580,923
LANDAFF	151,986	110,910	100,531	137,774	112,160	100,531	134,007
LANGDON	282,099	255,933	254,479	283,286	263,787	254,483	277,472
LEBANON	1,563,846	2,401,139	1,765,053	3,005,018	2,407,719	1,765,053	2,820,612
LEE	2,438,600	2,629,194	2,109,061	2,764,624	2,719,024	2,109,061	2,710,994
LEMPSTER	489,623	520,162	517,689	557,017	536,707	544,755	549,080
LINCOLN	(1,233,731)	(1,106,374)	-	(1,035,037)	(1,154,969)	-	(1,102,966)
LISBON	1,174,026	1,229,828	1,222,557	1,279,383	1,270,808	1,265,384	1,267,914
LITCHFIELD	3,621,359	4,085,947	3,379,817	4,427,449	4,214,671	3,379,817	4,342,095
LITTLETON	3,158,936	3,307,651	2,811,792	3,604,490	3,408,019	2,811,792	3,549,397
LIVERMORE	(299)	(253)		(253)	(263)		(263)
LONDONDERRY	13,006,987	13,698,910	11,408,894	15,176,259	14,126,158	11,408,894	14,841,521
LOUDON	1,947,224	1,937,022	1,733,737	2,307,372	1,994,108	1,733,737	2,253,603
LYMAN	181,409	175,397	148,067	198,472	178,307	148,067	193,823
LYME	220,135	274,956	152,450	338,882	271,283	152,450	306,943
LYNDEBOROUGH	522,515	537,417	493,681	699,448	543,090	493,681	676,336
MADBURY	1,011,475	1,014,900	994,728	1,090,523	1,049,571	1,016,569	1,071,190
MADISON	506,824	515,859	378,120	642,789	516,255	378,120	603,479
MANCHESTER	42,473,084	45,542,819	44,445,524	49,425,039	47,014,453	45,753,878	48,420,083
MARLBOROUGH	1,039,844	1,051,020	1,046,242	1,132,575	1,085,543	1,065,033	1,115,152

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State Total	411,192,479	421,650,499	404,963,346	482,184,740	431,717,012	410,049,963	465,097,668
"Receiver" towns only	443,872,753	451,518,398	404,963,346	507,462,861	463,379,875	410,049,963	493,639,604
MARLOW	399,487	369,211	377,869	410,328	380,435	396,470	403,777
MASON	303,725	235,664	197,461	321,381	236,070	197,461	303,738
MEREDITH	(249,968)	(236,955)	-	53,304	(293,202)	-	(104,680)
MERRIMACK	10,038,893	9,478,803	7,839,802	11,173,530	9,596,180	7,839,802	10,793,170
MIDDLETON	829,092	867,568	839,388	914,195	895,658	878,220	899,098
MILAN	799,835	938,967	914,130	963,957	970,235	922,866	953,901
MILFORD	5,648,786	5,538,956	5,284,907	6,108,657	5,715,710	5,345,427	5,942,409
MILLSFIELD	(9,666)	(21,316)		(21,316)	(22,174)		(22,174)
MILTON	2,411,754	2,502,257	2,538,347	2,714,561	2,582,007	2,559,959	2,678,998
MONROE	394,084	409,555	357,860	458,925	416,737	357,860	451,877
MONT VERNON	908,797	1,092,696	1,070,132	1,205,648	1,128,195	1,079,976	1,178,298
MOULTONBOROUGH	(5,702,257)	(5,217,294)	-	(4,981,035)	(5,438,745)	-	(5,275,896)
NASHUA	29,492,240	26,362,371	21,097,958	30,653,346	26,827,733	21,097,958	29,511,910
NELSON	250,660	203,415	232,575	280,914	206,794	237,316	271,159
NEW BOSTON	1,692,958	1,635,472	1,303,323	1,822,036	1,657,690	1,303,323	1,765,968
NEW CASTLE	(1,637,460)	(1,572,957)	-	(1,544,931)	(1,634,237)	-	(1,616,824)
NEW DURHAM	913,090	888,432	747,371	1,056,811	899,127	747,371	1,022,239
NEW HAMPTON	818,278	731,735	645,766	880,537	741,733	645,766	857,245
NEW IPSWICH	2,720,422	2,325,375	2,578,061	2,789,581	2,404,443	2,655,936	2,746,892
NEW LONDON	(1,282,360)	(881,789)	-	(731,353)	(936,302)	-	(826,777)
NEWBURY	(341,755)	(241,755)	-	(123,030)	(267,061)	-	(180,553)
NEWFIELDS	206,608	336,583	222,411	417,833	335,535	222,411	386,689
NEWINGTON	(2,268,767)	(1,798,400)	-	(1,763,061)	(1,868,668)	-	(1,844,628)
NEWMARKET	2,654,716	2,339,037	1,883,930	2,639,281	2,416,928	1,883,930	2,557,113
NEWPORT	4,327,649	4,698,838	4,729,331	4,952,587	4,857,968	4,815,669	4,907,530
NEWTON	1,842,457	1,968,693	1,667,590	2,232,386	2,030,346	1,667,590	2,180,606
NORTH HAMPTON	(773,913)	(447,344)	-	(236,307)	(493,164)	-	(350,283)
NORTHFIELD	2,776,364	2,889,461	2,887,700	3,052,164	2,991,161	2,929,857	3,018,972
NORTHUMBERLAND	1,885,118	1,956,592	2,004,353	2,078,235	2,023,518	2,032,963	2,063,324

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"Receiver" towns only	443,872,753	451,518,398	404,963,346	507,462,861	463,379,875	410,049,963	493,639,604
NORTHWOOD	1,769,574	1,913,138	1,949,323	2,189,119	1,969,145	1,975,554	2,140,724
NOTTINGHAM	1,622,910	1,336,303	1,060,736	1,539,082	1,348,783	1,060,736	1,482,112
ODELL	(7,208)	(7,910)	138,566	(7,910)	(8,195)	146,203	(8,195)
ORANGE	131,869	144,811		152,820	149,838		149,943
ORFORD	282,699	302,346	249,500	360,536	305,779	249,500	347,434
OSSIPEE	1,848,045	1,870,460	1,864,513	2,146,945	1,922,846	1,927,932	2,089,945
PELHAM	3,516,938	3,184,282	2,570,209	3,892,194	3,211,014	2,570,209	3,721,269
PEMBROKE	3,364,900	3,354,394	3,258,906	3,573,914	3,465,790	3,295,495	3,510,339
PETERBOROUGH	1,961,763	2,294,933	1,894,416	2,629,413	2,358,665	1,894,416	2,551,745
PIERMONT	255,157	276,839	271,876	314,637	284,348	273,751	306,007
PINKHAM'S GRANT	(14,889)	(14,698)		(14,698)	(15,228)		(15,228)
PITTSBURG	(160,277)	(81,992)	-	(39,270)	(91,191)	-	(61,326)
PITTSFIELD	3,021,626	2,936,204	2,996,072	3,129,797	3,044,270	3,132,215	3,102,809
PLAINFIELD	745,037	765,068	575,862	820,283	773,802	575,862	792,435
PLAISTOW	1,931,952	2,044,456	1,554,352	2,459,121	2,059,724	1,554,352	2,334,504
PLYMOUTH	2,615,673	2,890,112	2,890,351	3,057,891	2,989,042	2,909,650	3,024,078
PORTSMOUTH	(3,713,873)	(4,090,043)	-	(3,381,258)	(4,344,655)	-	(3,889,187)
RANDOLPH	5,944	9,850	-	23,581	8,036	-	16,980
RAYMOND	5,612,487	5,408,392	5,440,175	5,934,080	5,586,023	5,624,343	5,834,401
RICHMOND	581,427	583,279	585,588	637,202	601,984	596,125	626,785
RINDGE	1,697,976	1,656,024	1,363,301	1,922,571	1,677,150	1,363,301	1,860,555
ROCHESTER	14,607,127	14,170,036	14,330,039	15,576,109	14,636,408	14,379,733	15,324,629
ROLLINSFORD	517,546	528,775	380,993	601,114	535,474	380,993	570,902
ROXBURY	100,992	84,986	71,128	98,184	86,157	71,128	95,377
RUMNEY	699,940	733,573	843,508	931,849	747,370	843,512	914,020
RYE	(3,178,954)	(2,887,698)	-	(2,737,489)	(3,026,723)	-	(2,948,876)
SALEM	3,229,970	3,093,858	1,472,198	4,410,765	3,009,957	1,472,198	3,872,626
SALISBURY	398,310	398,627	355,234	486,899	404,631	355,234	473,578
SANBORNTON	483,874	596,015	482,017	780,492	597,705	482,017	738,235

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"Receiver" towns only	443,872,753	451,518,398	404,963,346	507,462,861	463,379,875	410,049,963	493,639,604
SANDOWN	2,968,709	2,913,067	2,968,987	3,265,811	3,007,294	2,973,370	3,205,906
SANDWICH	(382,532)	(309,772)	-	(199,952)	(330,743)	-	(240,890)
SARGENT'S PURCHASE	(25,788)	(25,183)		(25,183)	(26,092)		(26,092)
SEABROOK	1,385,724	1,510,450	1,035,579	1,917,472	1,506,697	1,035,579	1,778,120
SECOND COLLEGE GR.	(5,924)	(7,881)		(7,881)	(8,166)		(8,166)
SHARON	62,117	80,295	60,473	98,598	80,410	60,473	93,160
SHELBURNE	116,973	100,317	86,425	128,448	101,282	86,425	123,191
SOMERSWORTH	5,360,083	5,186,538	4,353,126	5,631,586	5,358,061	4,353,126	5,535,954
SOUTH HAMPTON	66,315	77,963	21,638	117,185	73,866	21,638	98,709
SPRINGFIELD	216,446	348,605	336,999	420,326	351,711	347,707	403,509
STARK	391,130	407,369	418,437	439,555	416,193	431,572	435,293
STEWARTSTOWN	587,500	485,873	445,041	560,390	498,609	445,041	553,712
STODDARD	(182,774)	(110,547)	-	(70,999)	(120,637)	-	(91,922)
STRAFFORD	1,950,080	1,959,959	1,607,364	2,148,049	2,018,574	1,607,364	2,098,888
STRATFORD	721,266	712,659	765,595	788,293	733,414	794,256	783,712
STRATHAM	1,232,610	1,419,814	882,878	1,740,940	1,411,469	882,878	1,600,701
SUCCESS	(37,453)	(39,743)		(39,743)	(41,177)		(41,177)
SUGAR HILL	(103,066)	(116,237)	-	(90,247)	(124,114)	-	(105,032)
SULLIVAN	339,318	316,738	331,608	353,501	326,898	337,499	349,082
SUNAPEE	(335,707)	(440,846)	-	(316,993)	(482,396)	-	(413,411)
SURRY	167,974	175,499	155,551	225,332	177,100	155,551	217,051
SUTTON	394,408	443,203	371,984	560,607	446,169	371,984	536,416
SWANZEY	3,709,873	3,985,186	4,017,583	4,311,822	4,120,105	4,025,748	4,252,439
TAMWORTH	912,616	915,849	803,914	1,101,545	940,683	803,914	1,071,466
TEMPLE	542,844	543,790	554,666	630,448	559,034	557,095	615,154
THOM. & MES. PURCH.	(22,483)	(21,970)		(21,970)	(22,764)		(22,764)
THORNTON	580,100	549,958	445,857	669,759	554,491	445,857	641,204
TILTON	1,094,469	1,285,764	1,065,415	1,512,522	1,302,012	1,065,415	1,462,031
TROY	1,384,397	1,383,677	1,418,891	1,491,409	1,431,872	1,498,362	1,476,773

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"Receiver" towns only	443,872,753	451,518,398	404,963,346	507,462,861	463,379,875	410,049,963	493,639,604
TUFTONBORO	(1,126,999)	(1,001,623)	-	(841,390)	(1,053,249)	-	(923,358)
UNITY	434,778	528,099	445,013	579,722	544,452	445,013	569,136
WAKEFIELD	1,192,308	1,820,927	1,418,258	2,031,275	1,842,549	1,418,258	1,960,462
WALPOLE	1,262,141	1,365,739	1,135,889	1,566,190	1,403,997	1,135,889	1,521,719
WARNER	1,187,698	1,102,627	1,233,685	1,382,627	1,135,562	1,279,675	1,352,568
WARREN	578,899	647,983	650,660	678,623	669,912	684,739	672,980
WASHINGTON	130,570	64,690	20,672	116,201	59,734	20,672	97,693
WATERVILLE VALLEY	(966,724)	(799,653)	-	(790,815)	(830,116)	-	(825,370)
WEARE	4,860,039	5,123,558	5,076,675	5,481,182	5,296,216	5,164,424	5,399,545
WEBSTER	633,941	579,593	605,349	692,770	588,913	607,491	675,127
WENTWORTH	645,501	600,687	614,822	650,886	619,557	648,348	643,607
WENTWORTH LOC.	(2,608)	(25,880)		(25,880)	(27,331)		(27,331)
WESTMORELAND	553,670	693,701	596,400	791,438	713,358	596,400	774,324
WHITEFIELD	1,272,509	1,285,229	1,315,548	1,394,908	1,326,304	1,321,735	1,378,892
WILMOT	377,485	402,422	312,587	447,082	414,670	312,587	431,599
WILTON	1,111,366	918,084	829,090	1,214,568	926,664	829,090	1,167,699
WINCHESTER	3,101,147	3,162,224	3,264,849	3,396,664	3,269,797	3,348,730	3,370,061
WINDHAM	2,356,046	2,508,169	1,807,703	3,243,880	2,500,897	1,807,703	3,021,466
WINDSOR	12,600	36,288	28,126	40,891	36,405	33,038	38,315
WOLFEBORO	(294,072)	(334,145)	-	16,638	(394,223)	-	(141,129)
WOODSTOCK	181,937	14,358	-	79,410	6,737	-	52,649
Total	411,192,479	421,650,499	404,963,346	482,184,740	431,717,012	410,049,963	465,097,668

Attachment #5

Revised 4/30/03 DOE

HB608 + 717

HB 608 reduces funding for transportation from 70% of all transportation expenditures to 100% of the cost of transporting only elementary students (including kindergarten and preschool) to and from school. It no longer reimburses any portion of high school Vocational Tuition and Transportation or special education transportation expenditures. HB717 provides a fixed per pupil transportation amount of $322 (that will rise with inflation).

Tuition and Transportation

Beginning with FY01, the Department reduced T&T transportation reimbursements from 100% to 30%. If HB 608 as written is enacted, an increase in the appropriation will be necessary to avoid a shortfall.

	Current Request	Addition	Revised Request
FY04	4,312,500	316,960	4,629,460
FY05	4,959,375	364,504	5,323,879

Catastrophic Aid

Beginning with FY04, the Department reduced the portion of transportation eligible for reimbursement from 100% to 30%. If HB 608 as written is enacted, an increase in the appropriation will be necessary to avoid a shortfall.

				Difference
FY03 Cat Increase if 100% trans				4,732,391
	plus	10.00%	for FY04	5,205,630
	plus an additional	5.26%	for FY05	5,479,611

Catastrophic	Trans increase	Addition	Current Request	Revised Request
FY04	10.00%	5,205,630	19,000,000	24,205,630
FY05	5.26%	5,479,611	20,000,000	25,479,611

Attachment #6 See technical notes - last section

STATE OF NEW HAMPSHIRE
OFFICE OF LEGISLATIVE BUDGET ASSISTANT

FISCAL NOTE WORKSHEET

This estimate should be updated when DRA releases new 2002 equalized valuations by May 1st.

Date Sent to Agency: 4/28/03 LSR#: _____

Agency: Education Bill#: HB 608 amended 4/10/03 -FN

Due to LBAO: _____

Dates:
Original: 4/28/03
Revised:
Amended:

State Fund(s) Affected

GENERAL X FEDERAL _____ OTHER X

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
State Revenue	0	(84,665,672)	(112,220,500)	(140,391,078)	(168,022,875)
State Expenditure	0	(60,523,576)	(36,742,485)	(156,784,027)	(135,265,462)
Net State Impact	0	(24,142,096)	(75,478,015)	16,392,949	(32,757,413)
County Revenue	0	0	0	0	0
County Expenditure	0	0	0	0	0
Net County Impact	0	0	0	0	0
Local Revenue	0	(60,523,576)	(36,742,485)	(156,784,027)	(135,265,462)
Local Expenditure	SWPT	(84,665,672)	(112,220,500)	(140,391,078)	(168,022,875)
Net Local Impact	0	24,142,096	75,478,015	(16,392,949)	32,757,413
		Will vary by town	Will vary by town	Will vary by town	Will vary by town

NOTE:
(1) List only the amount of change in the appropriate column.
(2) Place all negative numbers in parenthesis.
(3) You may replicate this worksheet.
(4) Refer to Fiscal Note Guidelines for further information.

(A) ASSUMPTIONS: Explain how estimate was derived. Describe costs that can be absorbed without additional funding. If no fiscal estimate can be prepared, explain why in detail.

FY04 and FY05 amounts are based on actual data. For FY06-FY07 enrollment and SPED enrollment have been estimated as shown.

It has been assumed that each town's SPED ADM-R will increase as follows: for 02-03 101% of 01-02 to be used for FY06 aid; and for 03-04 102% to be used for FY07 aid. (Extending beyond FY07 aid: for 04-05 103% and for 05-06 104%.)

Each town's elementary ADM-R has been decreased as follows: for 02-03 99.5% of 01-02 for FY06 aid; and for 03-04 98.5% for FY07 aid. (Extending beyond FY07 aid: for 04-05 97.5% and for 05-06 96%.)

Each town's high school ADM-R has been increased as follows: for 02-03 102.5% of 01-02for FY06 aid; and for 03-04 103.5%for FY07 aid. (Extending beyond FY07 aid: for 04-05 105.5% and for 05-06 106%.)

The town-by-town equalized valuation used were: for the 2002 tax year 2001 X 108%; for the 2003 tax year 2001 X 114%; for the 2004 tax year 2001 X 118%; and for the 2005 tax year 2001 X 122%. There is a great deal of year-to-year variability in equalized valuations at the town level. For 2000 to 2001 changes ranged from a 30% increase to decreases, while the state average was a 15% increase. Small towns that increase significantly more than the state average one year, often increase at a rate well below the state average the next year. This data has been assembled for the purpose of estimating the total cost to the State, and is not intended to accurately predict the impact on individual towns.

It has been assumed that the Free/Reduced Lunch ADM will remain at the FY05 level

For the current formula:

A 16% increase for the FY06/07 base cost has been assumed. The state average elementary current expenditure per pupil has increased about 7% annually from FY99 to FY02. It has also been assumed that the decrease in elementary enrollment will add an extra 1% annually.

For the proposed aid formula:

It has been assumed that the 2003 Northeast CPI will be 2.5% higher than the 2002 CPI, and annual increases will continue at 2.5%.

It has been assumed that home schooled enrollment will remain at the 01-02 level and that 10% of the 3,000 school students will enroll in one co curricular activity and 10% of the high school students will enroll in an academic course. Since actual data is not currently collected, this component begins in FY06 using 02-03 participation data. An ADM of 55.0 has been estimated for FY06 and FY07.

It has been assumed that the transportation cost in section 12 is the cost of "regular transportation" for elementary students. Special education transportation costs have not been included. See technical note.

It has been assumed that the change in definition of ADM in section 15 should apply to the calculation of FY04 aid. See technical note.

(B) METHOD of determining fiscal impact – show calculation:

See Attached method for the Total Cost of Adequacy. Add ADM of 55 to FY06 and FY07 for home schooled. Add $10, $15, $20 and $20 million for targeted aid.

For state tax revenue, multiply the rate change by the total equalized valuation without utilities.

(E) ESTIMATED FISCAL IMPACT (from A and B) – Calculations must agree with and explain totals on first page:

This bill will not impact the FY03 distribution. See Attached for calculations of the Total Cost of Adequacy.

FY04 Lost State Revenues: 2001 EqVal $96,210,991,157 X ($5.80 - $4.92) per $1,000 = $ 84,665,672.
FY05 Lost State Revenues: 2001 EqVal $96,210,991,157 X 108% X ($5.80 - $4.72) per $1,000 = $112,220,500.
FY06 Lost State Revenues: 2001 EqVal $96,210,991,157 X 114% X ($5.80 - $4,52) per $1,000 = $140,391,078.
FY07 Lost State Revenues: 2001 EqVal $96,210,991,157 X 118% X ($5.80 - $4.32) per $1,000 = $168,022,875.

(E) ADDITIONAL COUNTY, LOCAL OR LONG-RANGE EFFECTS:

The local impact will be as follows:
For towns that continue to receive grants and that do not have significant utility property the impact will be the net change in the grant. Any reduction in the SWPT will likely be off-set by an increase in the local education tax, resulting in no change in the total tax assessment due to this bill.

For towns that continue to receive grants and do have a significant utility property the impact will be the net change in the grant plus a reduction in the total tax assessment. Any reduction in the SWPT will likely be off-set by an increase in the local education tax. Since the local tax base includes utility property the same assessment can be raised at a lower local tax rate.

For towns that do not receive grants the impact will be the net change in the grant plus the reduction in the excess SWPT payment remitted to the state.

(E) TECHNICAL OR MECHANICAL DEFECTS: (Note any conflicts with existing law. Do not comment on the merits of the LSR.)

A more explicit definition of elementary cost is needed in section 12. Six categories for each grade level are used on the DOE-25. The ones relevant to this bill are "regular to and from school" and "all special education transportation". Special education transportation includes a special vehicle to transport a student to a district school, but is primarily a special vehicle to transport a student to a school outside the district. The bill can be made more specific by replacing "means the cost of transporting pupils in kindergarten through grade 8 to and from school" with either "means the cost of regular to and from school transportation for pupils in grade kindergarten through grade 8" or "means the cost of regular to and from school and special education transportation for pupils in grade kindergarten through grade 8".

The current Adequacy aid formula reimburses 70% of all transportation. In November the AG issued an opinion that to allow 100% of transportation expenditures to be eligible for Catastrophic Aid reimbursement could result in the state reimbursing more than 100% of the special education transportation cost of some pupils. The Department of Education responded by adjusting the Catastrophic Aid calculation to include only 30% of transportation expenditures. Since this bill eliminates all reimbursement for high school transportation and possibly all special education transportation for elementary students, an increase in the appropriation for Catastrophic Aid will be needed to avoid a shortfall. The estimated additional appropriation for Catastrophic Aid would be ~~$3,643,941~~ 5,205,630 in FY04 and ~~$3,835,728~~ 5,479,611 in FY05.

A comparable adjustment will also be needed for Vocational Tuition and Transportation Aid in an estimated amount of $316,960 for FY04 and $364,504 for FY05.

Section 15 removes home schooled students from average daily membership. To apply this change to the calculation of FY04 Adequacy Aid, Section 18 should include a paragraph indicating that this section is "applicable to the determination of State Aid for Educational Adequacy beginning July 1, 2003."

AGENCY REPRESENTATIVE PREPARING WORKSHEET

Sallie D. Fellows — April 28, 2003
Name/ Signature — Date

Information Services - EDUCATION - 271-0073
Title, Agency, and Phone Number

AGENCY REPRESENTATIVE APPROVING WORKSHEET

Nicholas C. Donohue — April 28, 2003
Name/ Signature — Date

Commissioner of Education - EDUCATION - 271-3144
Title, Agency, and Phone Number

Info Services
NH Dept of Ed

HB 608 as amended 4/10/03

April 28; 2003

April 28, 2003

	FY03	Actual Inflation Ratio	FY04	Actual Inflation Ratio	FY05	Estimated Inflation Ratio	FY06	Estimated Inflation Ratio	FY07
Current Formula									
Elem + Wt High ADM	212,866.50	100.5%	213,986.4	100.6%	215,285.2	100.5%	216,445.9	99.7%	215,782.7
SPED ADM	27,743.14	100.9%	27,991.1	101.3%	28,362.9	101.0%	28,646.5	101.0%	28,930.2
F/R ADM	17,328.40	79.0%	13,681.6	105.2%	14,388.5	99.5%	14,316.0	99.0%	14,171.8
Total Wt. ADM	257,938.04		255,659.1		258,036.6		259,408.4		258,884.7
Base Cost	$3,311		$3,556		$3,556	116.0%	$4,125		$4,125
Wt. ADM X Base	$854,032,850		$909,123,760		$917,578,150		$1,070,059,650		$1,067,899,388
Transportation	42,836,663	108.5%	46,461,400	109.3%	50,759,534	109.0%	55,327,892	108.3%	59,896,250
Reductions to Amt. Spent			(42,344)		(33,075)		(68,952)		(72,070)
Current Formula	**$896,869,513**		**$955,542,816**		**$968,304,609**		**$1,125,318,590**		**$1,127,723,568**

Notes:
For FY00-FY03 the ADM and SPED ADM included preschool. For FY04 removal of the PK reduced ADM-E by 926, SPED by 960 and F/R by 107.
Estimated FY06/07 Base Cost assumes spending increases will continue at present rate of 7% annually and that an additional increase of 1% will result from declining elementary enrollment.

	FY04		FY05		FY06		FY07
HB 608 amended 4/10/03							
Elem + Wt High ADM	210,272.5	100.6%	211,446.1	100.5%	212,601.6	99.7%	211,962.0
SPED ADM	27,991.1	101.3%	28,362.9	101.0%	28,646.5	101.0%	28,930.2
F/R ADM	13,371.7	105.1%	14,056.3	99.5%	13,986.5	99.0%	13,845.2
Home Schooled					55.0		55.0
Total Wt. ADM	251,635.3		253,865.3		255,289.6		254,792.4
Base Cost	$3,390		$3,478		$3,572		$3,661
Wt. ADM X Base	$853,043,667		$882,943,513		$911,894,451		$932,794,976
Transportation	32,012,656	105.1%	33,647,382	109.0%	36,675,643	108.3%	39,703,911
Reductions to Amt. Spent	(37,083)		(28,772)		(35,531)		(40,782)
Target Aid	10,000,000		15,000,000		20,000,000		20,000,000
HB 608 Total	**895,019,240**		**931,562,123**		**968,534,563**		**992,458,105**

Notes:
Assumes the annual CPI for 2003-2005 will be 2.5% annually.

Difference	**60,523,576**		**36,742,485**		**156,784,027**		**135,265,462**

Attachment # 7

April 25, 2003

Northeast Consumer Price Index
Not Seasonally Adjusted
For all Cost Items
Published by the US Bureau of Labor Statistics (www.bls.gov)

Year	NE CPI Index	% Increase from previous year	Year	NE CPI Index	% Increase from previous year
1984	104.5		1993	151.4	2.8%
1985	108.4	3.7%	1994	155.1	2.4%
1986	111.1	2.5%	1995	159.1	2.6%
1987	116.0	4.4%	1996	163.6	2.8%
1988	121.8	5.0%	1997	167.6	2.4%
1989	128.6	5.6%	1998	170.0	1.4%
1990	136.3	6.0%	1999	173.5	2.1%
1991	142.5	4.5%	2000	179.4	3.4%
1992	147.3	3.4%	2001	184.4	2.8%
			2002	188.2	2.1%

HB 608Base Cost for FY04, FY05, FY06 and FY07

		FY04 Base	FY05 Base	FY06 Base	FY07 Base
1998	*1.4%*	*1.4%*			
1999	*2.1%*	*2.1%*	*2.1%*		
2000	*3.4%*	*3.4%*	*3.4%*	*3.4%*	
2001	*2.8%*	*2.8%*	*2.8%*	*2.8%*	*2.8%*
2002	*2.1%*		*2.1%*	*2.1%*	*2.1%*
est of 2003	*2.5%*			*2.5%*	*2.5%*
est of 2004	*2.5%*				*2.5%*
Annual Average CPI		2.4%	2.6%	2.7%	2.5%
Previous Base		$3,311	$3,390	$3,478	$3,572
Plus CPI Increase		$79	$88	$94	$89
New Base		$3,390	$3,478	$3,572	$3,661

As of 11/25/02

Year	Jan	Feb	Mar	Apr	May	Jun
1992	144.9	145.3	146.2	146.3	146.3	147.0
1993	149.7	150.4	150.9	151.1	150.8	151.2
1994	153.2	154.0	154.3	154.4	154.2	154.8
1995	157.1	157.6	158.0	158.3	158.5	158.9
1996	161.4	162.2	162.8	162.9	163.0	163.1
1997	166.2	166.9	167.3	167.1	166.8	167.0
1998	168.8	169.1	169.3	169.5	169.4	169.6
1999	171.4	171.6	171.9	172.8	172.8	173.1
2000	176.2	177.6	178.5	178.5	178.4	179.0
2001	182.2	182.8	183.7	184.2	184.6	185.3
2002	184.9	186.1	187.0	187.8	187.7	187.8
2003	190.5	191.7	193.0			

Year	Jul	Aug	Sep	Oct	Nov	Dec
1992	147.5	148.2	148.5	148.9	149	148.9
1993	151.4	151.7	151.8	152.5	152.7	152.7
1994	155.2	155.9	156.1	156.4	156.7	156.3
1995	159.2	159.7	160	160.3	160.5	160.5
1996	163.4	164	164.6	165.1	165.4	165.7
1997	167.6	167.8	168.4	168.7	168.5	168.4
1998	169.9	170.5	170.6	171.3	171.2	171.2
1999	173.4	174.1	174.8	175.5	175.5	175.5
2000	179.8	179.9	180.7	181.2	181.5	181.3
2001	185	185.1	185.1	185	185	184.2
2002	188.3	189.3	189.5	189.9	190.1	189.6

Year	Annual	1st Half	2nd Half	Ratios 1st Half :Annual	Ratios Oct:2nd Half	Ratios Average
1992	147.3	146	148.5	0.9912	1.0027	147.25
1993	151.4	150.7	152.1	0.9954	1.0026	151.40
1994	155.1	154.2	156.1	0.9942	1.0019	155.15
1995	159.1	158.1	160	0.9937	1.0019	159.05
1996	163.6	162.6	164.7	0.9939	1.0024	163.65
1997	167.6	166.9	168.2	0.9958	1.0030	167.55
1998	170	169.3	170.8	0.9959	1.0029	170.05
1999	173.5	172.3	174.8	0.9931	1.0040	173.55
2000	179.4	178	180.7	0.9922	1.0028	
2001	184.4	183.8	184.9			
2002	188.2	186.9	189.5			

HB 608 amended 4/10/03

Revenue	2001 Eval w/o Utilities	Change	2001 X Est Change	Current Tax	New Tax	Difference	Eval X Tax Difference
FY04	96,210,991,157	100%	96,210,991,157	0.00580	0.00492	0.00088	84,665,672
FY05	96,210,991,157	108%	103,907,870,450	0.00580	0.00472	0.00108	112,220,500
FY06	96,210,991,157	114%	109,680,529,919	0.00580	0.00452	0.00128	140,391,078
FY07	96,210,991,157	118%	113,528,969,565	0.00580	0.00432	0.00148	168,022,875

Home School		01-02 ADM-R	Est. Participation Rate and Count		Weight	Base Cost	ADM X Wt X Base
FY06	Cocurricular Elem	3,048.6	10%	304.9	0.10	$3,572	$108,910
	Cocurricular High	658.6	10%	65.9	0.10	$3,572	$23,539
	Academic Elem	3,048.6	0%	0.0			
	Academic High	658.6	10%	65.9	0.25	$3,572	$58,849
							$191,298
FY07	Cocurricular Elem	3,048.6	10%	304.9	0.10	$3,661	$111,624
	Cocurricular High	658.6	10%	65.9	0.10	$3,661	$24,126
	Academic Elem	3,048.6	0%	0.0			
	Academic High	658.6	10%	65.9	0.25	$3,661	$60,315
							$196,065

APR 21 2003

TO: Sallie

FROM: SARAH BROWNING

SUBJECT: PREPARATION OF FISCAL NOTE WORKSHEET FOR LSR# HB608 Amend

DATE: 4/18/03

New Hampshire Revised Statutes Annotated 14:44-47 requires an estimated fiscal impact statement for "All bills and resolutions having an effect on the revenues, expenditures or fiscal liability of the state or a city or town or county..." These fiscal impact notes are prepared by the Legislative Budget Assistant with assistance and data from any state agency. Accordingly, you are being asked to provide the information required on the attached fiscal note worksheet.

Please complete the attached worksheet for LSR # HB608 following instructions in New Hampshire Fiscal Note Manual and return the analysis worksheet to Pat Butler on or before ASAP.

A reminder from the Office of Legislative Budget Assistant:

> IMPORTANT: THE TITLE, CONTENTS AND EXISTENCE OF THIS LSR ARE CONFIDENTIAL UNLESS IT IS INTRODUCED AS A BILL AND BECOMES A PUBLIC DOCUMENT.

If you have any questions please contact Sarah Browning at 3879 or Pat Butler at 3144.

PB
11-15-02

STATE OF NEW HAMPSHIRE

STATE OF NEW HAMPSHIRE
OFFICE OF LEGISLATIVE BUDGET ASSISTANT

FISCAL NOTE WORKSHEET

Room 102, State House
Concord, NH 03301
(603) 271-3161
FAX (603) 271-1097

DATE: 4/18/03

TO: Pat Butler

Education

FROM: Carole Richardson

THIS TRANSMISSION CONSISTS OF 7 PAGES, INCLUDING COVER SHEET

LSR#: 03-

Bill#: HB 608 -FN Amendment

Due to LBAO: ASAP

PLEASE USE STANDARD FISCAL NOTE WORKSHEET FOR REPLY. 1953

House Finance
April 2, 2008
2008-1105h
04/10

Amendment to HB 608-FN-LOCAL

Amend the bill by replacing all after the enacting clause with the following:

1 Statement of Purpose; Legislative Findings.

I. The general court recognizes the inherent imprecision and subjectivity involved in determining the cost of providing the opportunity for an adequate education. In the exercise of its constitutional authority and discretion, to provide the opportunity for pupils to obtain an adequate education, the general court has adopted an average costing methodology. The general court recognizes that this costing methodology may produce spending pressures and results that may not accurately reflect the cost of continuing to provide adequate educational opportunity over time. As a result, the general court finds that changing the base cost per pupil by reference to the consumer price index is the most appropriate way to calculate changes in the cost of an adequate education.

II. The general court further finds that the local portion of the cost of education is primarily funded through a local tax on property. Resident homeowners use personal income to pay their property tax bills. In municipalities that have less industry, and fewer rental properties or vacation homes, resident homeowners bear most of the burden in paying the local property tax. Targeted education grants will assist those municipalities that have less other property and less income in relation to home values in providing additional education services.

2 Education Property Tax; Fiscal Year 2004 Rate Reduced. Amend RSA 76:3 to read as follows:

76:3 Education Property Tax. An annual education property tax at the uniform rate of [~~$5.80~~] ***$4.92*** on each $1000 of the value of taxable property is hereby imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F.

3 Education Property Tax; Fiscal Year 2005 Rate Reduced. Amend RSA 76:3 to read as follows:

76:3 Education Property Tax. An annual education property tax at the uniform rate of [~~$4.92~~] ***$4.72*** on each $1000 of the value of taxable property is hereby imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F.

4 Education Property Tax; Fiscal Year 2006 Rate Reduced. Amend RSA 76:3 to read as follows:

76:3 Education Property Tax. An annual education property tax at the uniform rate of [~~$4.72~~] ***$4.52*** on each $1000 of the value of taxable property is hereby imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F.

5 Education Property Tax; Fiscal Year 2007 Rate Reduced. Amend RSA 76:3 to read as follows:

76:3 Education Property Tax. An annual education property tax at the uniform rate of [~~$4.52~~]

$4.32 on each $1000 of the value of taxable property is hereby imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F.

6 Education Property Tax: Fiscal Year 2008 Rate Reduced. Amend RSA 76:3 to read as follows:

76:3 Education Property Tax. An annual education property tax at the uniform rate of [~~$4.32~~] *$4.12* on each $1000 of the value of taxable property is hereby imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F.

7 Education Property Tax; Fiscal Year 2009 Rate Reduced. Amend RSA 76:3 to read as follows:

76:3 Education Property Tax. An annual education property tax at the uniform rate of [~~$4.12~~] *$3.92* on each $1000 of the value of taxable property is hereby imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F.

8 Education Property Tax; Rate Formula. RSA 76:8 is repealed and reenacted to read as follows:

76:3 Education Property Tax.

I. Beginning July 1, 2009, and every July 1 thereafter, the commissioner of the department of revenue administration shall calculate the education property tax rate to be imposed in the fiscal year by calculating the percentage change in the total valuation of all developed land in the state as of June 30 of the year in which the calculation is made, assessed at 100 percent of fair market value, and adjusting the education property tax rate that was in effect as of June 30, 2009 in inverse proportion to such percentage change. In this section, "developed land" shall mean any land, regardless or whether or not it is subject to a conservation restriction, upon which structures or improvements have been introduced for residential, commercial, or industrial purposes or any commercial mining or excavating purposes inconsistent with its use as open space land.

II. The maximum tax rate imposed under this section shall not exceed the education tax rate in effect during the immediately preceding fiscal year.

9 New Subparagraph; School Money; Definitions. Amend RSA 198:38, VII by inserting after subparagraph (d) the following new subparagraph:

(e) Each pupil who is home educated pursuant to a program approved under RSA 193-A shall be added as follows:

(1) 0.1 for each home educated pupil participating in a public school activity; and

(2) An additional 0.15 for each academic course taken in a public school, provided that no co-curricular activity, as defined by the department of education, shall count as an academic course under this subparagraph.

10 Consumer Price Index Adjustments to the Base Cost Per Pupil Calculation. For the fiscal year beginning July 1, 2003, and every fiscal year thereafter, the base cost per pupil shall be adjusted by the average annual percentage rate of inflation for the 4 immediately preceding calendar years.

11 School Money; Determination of Per Pupil Adequate Education Cost and Adequate Education

Grant. Amend RSA 198:40, III to read as follows:

III. For each fiscal year, the statewide cost of an adequate education for all pupils shall be calculated by multiplying the average base per pupil cost of an adequate education by the statewide weighted average daily membership in residence of pupils and then adding [~~70~~] *100* percent of [~~total statewide~~] transportation costs ***as defined in RSA 198:38, XI.***

12 School Money; State Aid for Educational Adequacy. Amend RSA 198:38, XI to read as follows:

XI. "Transportation costs" means the [~~costs~~] ***cost*** of transporting pupils ***in kindergarten through grade 8*** to and from school [~~and other school activities~~] ***as*** reported by school districts on the [~~MS-25~~] ***DOE-25*** form.

13 School Money; Determination of Adequate Education Grants. Amend RSA 198:41, I(b) to read as follows:

(b) Add to the product of subparagraph (a), [~~70~~] *100* percent of the municipality's apportioned transportation [~~cost~~] ***costs as defined in RSA 198:38, XI***;

14 New Section; Targeted Education Grants. Amend RSA 198 by inserting after section 45 the following new section:

198:45-a Targeted Education Grants.

I. In this section:

(a) "Median family income" and "median home value" shall be as defined in the most recent census data published for New Hampshire counties and municipalities by the United States Census Bureau, United States Department of Commerce. County values shall be used for unincorporated places not reported in the census data.

(b) "Total equalized valuation" shall mean the most recent available total equalized valuation, including utilities and railroads, as determined by the department of revenue administration.

(c) "Adjustment percentage" shall mean the percentage which will result in a total targeted education grant distribution in a fiscal year that will match, as nearly as possible without exceeding, the appropriation in such fiscal year for targeted education grants.

II. The department of education shall annually calculate each municipality's targeted education grant as set forth in this paragraph.

(a) The department of education shall calculate the statewide average per pupil target amount as follows:

(1) Multiply the statewide median family income by 0.5 percent; and

(2) Divide the product by the statewide median home value; and

(3) Multiply the result by the statewide total equalized valuation and divide the product by the statewide average daily membership in residence. The result shall be the statewide average per pupil target amount.

(4) Multiply the statewide average per pupil targeted amount by 2 and multiply the result by the adjustment percentage.

(b) The department of education shall calculate the local valuation per pupil as follows:

(1) Multiply the average median family income in the municipality by 0.5 percent; and

(2) Divide the product by the median home value in the municipality; and

(3) Multiply the result by the total equalized valuation in the municipality and divide the product by the average daily membership in residence in the municipality. The result shall be the local per pupil amount.

(c) Subtract the amount obtained in subparagraph (b) from the amount obtained in subparagraph (a) and multiply the difference by the adjustment percentage. The result, if greater than zero, shall be multiplied by the average daily membership in residence in the municipality and shall be distributed to the municipality as a targeted education grant.

III. The sums of $10,000,000 for the 2004 fiscal year, $15,000,000 for the 2005 fiscal year, $20,000,000 for the 2006 fiscal year, $20,000,000 for the 2007 fiscal year, shall be appropriated to the education trust fund established in RSA 198:39 for the purpose of providing targeted education grants to school districts. The governor is authorized to draw a warrant for said sums out of any money in the treasury not otherwise appropriated.

IV. Targeted education grants made under this section shall be distributed in accordance with RSA 198:42.

15 School Boards, Teachers; Definitions Amended. RSA 189:1-d is repealed and reenacted to read as follows:

189:1-d Definitions. In this chapter:

I. "Attendance" means full-time participation in a program of instruction under the direction of a teacher employed by the school district. Educationally disabled home educated pupils educated at school district expense under the direction of a teacher employed by the school district shall be included.

II. "Membership" means pupils of whom attendance is expected, whether a pupil is present or absent on any given day.

III. "Average daily membership in attendance" means the aggregate half-day membership of pupils attending schools operated by a school district divided by the number of half-days of instruction offered. The average daily membership in attendance for preschool and kindergarten pupils shall be divided by the number of instructional days offered to higher level elementary grades.

IV. "Average daily membership in residence" means the average daily membership in attendance of pupils who are legal residents of the school district pursuant to RSA 193:12 or RSA 193:27, IV and are attending any public school, or who are attending any charter school or private school program approved by the department of education at the expense of the school district.

16 Procedure for Formation of Cooperative School Districts; Apportioning Operating Expenses; Exclusion of Home Education Pupils Deleted. Amend RSA 195:18, III(e) to read as follows:

(e) The method of apportioning the operating expenses of the cooperative school district among the several preexisting districts and the time and manner of payment of such shares. [~~Home education pupils who do not receive services from the cooperative school district, except an evaluation pursuant to RSA 193-A:6, II shall not be included in the average daily membership relative to apportionment formulas.~~]

17 Procedure for Formation of Cooperative School Districts; Apportioning Capital Expenses; Exclusion of Home Education Pupils Deleted. Amend RSA 195:18, III(g) to read as follows:

(g) The method of apportioning the capital expenses of the cooperative school district among the several preexisting districts, which need not be the same as the method for apportioning operating expenses, and the time and manner of payment of such shares. Capital expenses shall include the costs of acquiring land and buildings for school purposes, including property owned by a preexisting district; the construction, furnishing, and equipping of school buildings and facilities; and the payment of the principal and interest of any indebtedness which is incurred to pay for the same or which is assumed by the cooperative school district. [~~Home education pupils who do not receive services from the cooperative school district, except an evaluation pursuant to RSA 193-A:6, II, shall not be included in the average daily membership relative to apportionment formulas.~~]

18 Effective Date.

I. Section 2 of this act shall take effect and shall apply to education property taxes due for the tax year beginning April 1, 2004.

II. Section 3 of this act shall take effect and shall apply to education property taxes due for the tax year beginning April 1, 2005.

III. Section 4 of this act shall take effect and shall apply to education property taxes due for the tax year beginning April 1, 2006.

IV. Section 5 of this act shall take effect and shall apply to education property taxes due for the tax year beginning April 1, 2007.

V. Section 6 of this act shall take effect and shall apply to education property taxes due for the tax year beginning April 1, 2008.

VI. Section 7 of this act shall take effect and shall apply to education property taxes due for the tax year beginning April 1, 2009.

VII. RSA 76:3 as inserted by section 8 of this act shall take effect July 1, 2009.

VIII. RSA 198:38, VII(e) as inserted by section 9 of this act shall take effect July 1, 2005.

IX. The remainder of this act shall take effect July 1, 2003.

2003-1105h

AMENDED ANALYSIS

This bill:

I. Provides that the calculation of the statewide cost of an adequate education shall be indexed to the northeast regional consumer price index for all urban consumers for the 4 immediately preceding calendar years.

II. Reduces the education property tax rate from $5.80 to $4.92 for the 2004 fiscal year, and thereafter further reduces the rate by 20 cents per fiscal year through the 2009 fiscal year.

III. Beginning July 1, 2009, requires that the commissioner of the department of revenue administration set the education property tax rate by calculating the percentage change in the total valuation of all developed land in the state, assessed at 100 percent of fair market value, and adjusting the rate in the immediately preceding fiscal year in inverse proportion to such rate.

IV. Changes the payment for transportation costs to include 100 percent of the total cost of transporting pupils in kindergarten through grade 8 to and from school.

V. Changes the definition of average daily membership in residence for the purpose of calculating state aid for educational adequacy.

VI. Implements a weighting formula for counting home educated pupils.

VII. Provides that beginning July 1, 2003 and every fiscal year thereafter, targeted education grants shall be made to municipalities.

Info Services
NH Dept of Ed

April 29, 2003

HB 608 Targeting Formula - State Average for FY04

The formula aids towns less able to raise property tax revenue for schools. It measures ability base on the relationship between:

Income wealth of residents

Fair market value of the typical home

Property tax base of town

The aid level for targeting is set at about $1,000 per pupil.

1	**How much is 0.5% of the typical family's income?**		$57,575	Census Median Family Income
		X	0.50%	
			$288	
2	**What tax rate, when applied to the typical owner-occupied home, would raise this amount?**		$288	
		Divided by	133,300	Census Median Home Value
			$0.00216	Tax Rate per $1 of Valuation
3	**At this tax rate, how much would be raised from the entire tax base of the state?**		99,059,004,843	2001 Equalized Valuation
		Times	$0.00216	Tax Rate
			$213,967,450	Would raise
4	**How much per pupil would this raise?**	Divide by	198,290	ADM-R
			$1,079.07	**Per Pupil Target Amount**

Info Services
NH Dept of Ed

April 29, 2003

HB 608 Targeting Formula Example without adjustment for FY04

Town A

1	How much is 0.5% of the typical family's income in town A?		$37,386	Census Median Family Income
		X	0.50%	
			$187	
2	What tax rate, when applied to the typical owner-occupied home in town A, would raise this amount?		$187	
		Divided by	92,700	Census Median Home Value
			$0.00202	Tax Rate per $1 of Valuation
3	How much would this tax rate raise when applied to the entire tax base of the town A?		47,987,125	2001 Equalized Valuation
		Times	$0.00202	Tax Rate
			$96,934	Would raise
4	How much per pupil would this raise?	Divide by	147.4	ADM-R
			$657.63	Per Pupil Amount
5	Aid Formula			
	State Ave Per Pupil Amount		$1,079.07	
	Subtract Local Per Pupil Amount	Subtract	$657.63	
	Difference		$421.44	
	Times ADM	Times	147.4	ADM
	Total Aid		$62,120	Total Targeted Aid

Total cost without adjustment, $45,000,000.

Info Services
NH Dept of Ed

April 29, 2003

	ADM-R	Median Family Income	Median Home Value	Equalized Valuation	Town's Per Pupil Ability	Per Pupil Aid (before adj.)
State Average	100	$57,575	133,300	49,956,732	$1,079	**$0**
25% Lower Equalized Valuation	100	$57,575	133,300	37,467,549	$809	**$270**
25% Lower Income	100	$43,181	133,300	49,956,732	$809	**$270**
25% Higher Home Value	100	$57,575	166,625	49,956,732	$863	**$216**
25% Lower Income & Home Value	100	$43,181	99,975	49,956,732	$1,079	**$0**
25% Lower ~~Income~~ Home Value & Eq Value per Pupil	100	$57,575	99,975	37,467,549	$1,079	**$0**
25% Lower Income & 33% Higher Eval PP	100	$43,181	133,300	66,442,454	$1,076	**$3**

Info Services
NH Dept of Ed

April 29, 2003

Example for Town A, with the adjustment to reach $10,000,000 for FY04

				Town A	
1	**How much is 0.5% of the typical family's income in town A?**			$37,386	Census Median Family Income
			X	0.50%	
				$187	
2	**What tax rate, when applied to the typical owner-occupied home in town A, would raise this amount?**	Divided by		$187	
				92,700	Census Median Home Value
				$0.00202	Tax Rate per $1 of Valuation
3	**How much would this tax rate raise when applied to the entire tax base of the town A?**	Times		47,987,125	2001 Equalized Valuation
				$0.00202	Tax Rate
				$96,934	Would raise
4	**How much per pupil would this raise?**	Divide by		147.4	ADM-R
				$657.63	Per Pupil Amount
5	**Aid Formula with adjustment**				
	State Ave Per Pupil Amount X Adj% X 2 = $1,079.07 X 42.6% X 2 =			$919.06	
a	Subtract Local Per Pupil Amount	Subtract		$657.63	
	Difference			$261.43	
b	Times Adjustment %	Times		42.585819%	
	Aid Amount PP			$111.33	Target Aid Per Pupil
c	Times ADM	Times		147.4	ADM
	Total Aid			$16,410	Total Targeted Aid

Raising or lowering the adjustment number will raise or lower the total aid distribution. There is only one number that will result in a distribution that matches the appropriation.

April 30, 2003

Statement of Rep. David W. Hess on

HB 608: Property Tax Relief & Indexed Increased Aid to Education

As passed by the House, HB 608 is a substantial improvement over previous indexing bills. It is a win, win, win situation for the State, our property taxpayers and education. It will reduce the statewide education property tax by almost 33%, index state aid for education to the Northeast Consumer Price Index, (N.E.C.P.I) and target additional aid to our neediest communities.
HB 608 will accomplish the following:

- ➔ Increase state educational grants at sustainable annual rates - going from $411 million in 2004 to $475 million by 2007.
- ➔ Index future increases in per pupil funding to the N.E.C.P.I, (currently 2.4% and projected at 2.6% in 2005, 2006 and 2007.)
- ➔ Reduce the statewide property tax in the first year to $4.92 a thousand, a full 15% reduction.
- ➔ Further reduce the statewide property tax to $3.92/thousand by 2009, down $1.88, or almost 33%, from the current rate of $5.80/thousand.
- ➔ Target $65 million in new aid to our towns and cities.
- ➔ Lower statewide property tax payments by a total of $489,293,326. over the next 4 years.

HB 608 is direct, straight-forward and easily explained. It commits the state to property tax reduction indefinitely. It uses a widely known index to measure future increases in statewide education base costs - the same index used to determine increases in social security payments. And it adopts a simple targeting formula based on median family income, median home value and total equalized property valuation. Finally, it commits the State to funding targeted aid by $65 million over the next four years.

HB 608 enhances local control over both education policy and property taxes because it enables our local communities to decide for themselves whether they wish to provide property tax relief or spend part or all of their statewide property tax savings on education.

HB 608 must be passed to prevent state education funding from spiraling out of control. Under current law, education funding will rise over $120 million in the next biennium alone ! We must address this issue. HB 608 is our safety net.

Regardless of what other changes we make in our education funding legislation, HB 608 must be passed. However you figure it, a property tax rate of $4.92/thousand is far better than one of $5.80/ thousand!

Highlights of HB 608

Reduces Statewide Property Tax

- ⏩ Commits the state to property tax reduction indefinitely
- ⏩ Reduces the statewide property tax in 1st year by 88¢/thousand - a 15% decrease
- ⏩ Reduces it a full $1.88/thousand by 2009 - almost a 1/3 decrease

Targets Aid in a Responsible Manner

- ✯ Targets $65 million in new aid to towns & cities
- ✯ Targets this aid with a simple, understandable formula based on median family income, median home value, & equalized property valuation
- ✯ Targets the aid to the neediest students

Stabilizes Future Cost Increases

- ⊞ Indexes future increases in funding to a predictable indicator—N.E.C.P.I.
- ⊞ (Thereby) increasing state education grants at sustainable annual rates
- ⊞ (And) preventing state funding from spiraling out of control

Helps Return Local Control back to Communities

- ● Enhances local control—Increases their decision-making in education spending, re: using their savings for tax relief or education

Rep. David W. Hess

"watch list" deal with their shortcomings. The Commission believes that assistance should be made available to schools that are not able to meet the performance standards established by the legislature. The costs of such assi would come from an Education Improvement Fund into which, if enacted, v recommend placing annually an amount equal to 1/3 of 1% of the total cost adequate education. This may also enable the department to assist schools not yet on the watch list but where early indicators show that the school is failing in the critical areas which will probably result in the school being placed on the watch list.

(ii) Many of the Commission members believe that in addition to professional education expenses already included in the base amount, a special professional education program for K-3 literacy should be established by the legislature and implemented by the Department of Education to help districts meet the Commission's proposed "reading on grade level by the end of grade 3" adequacy standard. The Commission adopts the concept that providing additional education funding to those schools where pupils are not reaching a basic reading level by the 3rd grade will have a significant impact on student improvement and achievement. This assistance should be research-based, job-imbedded and on-going (across-the-board and district-wide for three years). It should be targeted initially at the lower-performing one-third of the school districts. We recommend an additional 1/3 of 1% of the total cost of an adequate education to cover the cost of this program.

(iii) Many Commission members believe that improvements in early childhood education (ages 0-5) are a cost-effective way to help public school children achieve an adequate education. The Commission recognizes the importance of early learning and the role of parental involvement in furthering a child's opportunity for academic success and embraces support for early learning initiatives that are grounded in home- and job-based programs that have shown positive results for students upon entering school. An outcome-proven program should be investigated by the legislature and, if one is selected, implemented by the Department of Education in conjunction with the appropriate agencies at the state and local levels. We recommend an additional 1/3 of 1% of the total cost of an adequate education to cover the cost of this program. The policy statement in Appendix G represents the Commission's thinking with respect to this issue.

Third, our current formula and the changes to it that we are recommending suffer from a potential flaw. Cost calculations are based ultimately on the amounts districts spend to provide educational services. To the extent state funding results in higher expenditure levels than would otherwise occur, a self-fulfilling, upward spiral may occur: increased state adequacy grants result in increased local costs, which in turn further increase the state grants. To resolve this, we propose limiting the increase in the base cost

calculations in any year to the lower of the formula increase or the increase in a three-year rolling average of the Northeast Consumer Price Index or a comparable index.

Also, based on input we received from the Department of Education, we recommend changing the adequacy costing formula under RSA 198:40, I(b)(1) to reflect the recent readjustment of scoring on the statewide assessment tests. The schools selected for use in the costing methodology should be those in which 50 to 70% (instead of 40 to 60%) of the elementary students score at or above the basic level.

One of the largest cost items in this formula is teacher compensation. MAP indicated that three factors affect teacher salaries: market availability, service seniority and educational level. MAP observed that further analysis is necessary to determine how these factors should be accounted for in determining appropriate teacher compensation levels for providing an adequate public education in New Hampshire.

We note that any such adjustments, up or down, would not be insignificant. For example, MAP pointed out that "there is scant evidence that a teacher's instructional performance is enhanced by classroom experience in excess of seven years." (MAP report, page 74, Appendix E). MAP determined that automatic salary increases for each added year of employment beyond seven years costs about $16.5 million on a statewide basis.

Charge (b): Recommend the amount of state aid, including building aid, to be distributed to cities and towns based upon the cost of an adequate education as recommended in subparagraph (a) and the method for distributing the aid.

(1) cost of an adequate education

The Commission recommends that we continue to calculate both the cost and distribution of state adequate education aid using the current statutory formula, as amended by the recommendations issued under charge (a) above.

(2) building aid

Building aid is another matter. Since 1955, state contributions to local construction costs have been funded separately from all other state education aid under RSA 198:15-a through 15-h. The state currently provides annual grants ranging from 30% to 55% of the amount of the annual payment of principal for the cost of construction or the purchase of school buildings, depending upon the make-up of the school district. The primary issues for the Commission are: (a) whether building aid should remain a separate program or be included in the formula for determining the cost of an adequate education and (b) whether there should be a revision of the methodology for distributing building aid.

If just 7 school districts in my select Group increase spending by an average of just $400/student, the State cost to provide an adequate ed. would increase by $2,400,000!

Revised Sept. 24, 2000

40-60% Performance Group
Sorted by Base Cost

3/21/01

Non-operational at Elem exculded.

Dist #	District	No Scores 3 & 6	Base Cost Per Pupil 9/22/00 Method	3 corrected 1998-99 ADM Attendance	Exeter/ER corrected Performance Elementary	
	Lower 50% cost begins here.					
352	Merrimack Valley		4,288.87	1,751.7	47.67	7,512,813.58
377	New Boston		4,283.16	429.5	57.50	1,839,617.22
101	Claremont		4,279.87	1,427.3	40.33	6,108,658.45
573	Winchester		4,238.26	531.0	42.50	2,250,516.06
351	Merrimack		4,220.12	3,310.9	59.83	13,972,395.31
238	Haverhill Coop		4,213.24	548.9	44.83	2,312,647.44
174	Fall Mountain Regional		4,167.76	1,400.3	48.50	5,836,114.33
105	Colebrook		4,146.00	333.9	52.17	1,384,349.40
51	Berlin		4,136.70	1,023.5	47.50	4,233,912.45
582	Winnisquam Regional		4,065.32	1,280.7	41.50	5,206,455.32
399	Newmarket		4,061.35	815.5	55.83	3,312,030.93
199	Goffstown		4,052.02	1,805.2	57.17	7,314,706.50
476	Sanborn Regional		4,047.88	1,299.2	51.00	5,259,005.70
453	Raymond		3,935.35	1,304.6	47.50	5,134,057.61
141	Dover		3,886.14	2,241.5	53.33	8,710,782.81
167	Epsom		3,854.88	464.7	47.50	1,791,362.74
165	Epping		3,849.36	676.1	47.83	2,602,552.30
255	Hinsdale		3,816.33	574.3	47.50	2,191,718.32
461	Rochester		3,675.65	3,100.8	47.50	11,397,455.52
439	Pittsfield		3,632.08	566.7	42.33	2,058,299.74
342	Mascenic Regional		3,629.78	1,001.3	52.00	3,634,498.71
411	Northwood		3,627.24	456.3	49.00	1,655,109.61
267	Hudson		3,562.39	2,804.7	56.67	9,991,435.23
401	Newport		3,561.61	853.6	47.67	3,040,190.30
189	Fremont		3,492.73	405.2	57.50	1,415,254.20
251	Hillsboro-Deering Coop		3,379.32	913.7	44.17	3,087,684.68
131	Derry Cooperative		3,356.63	4,632.8	57.67	15,550,595.46
467	Rumney		3,275.33	188.5	49.50	617,399.71
33	Barrington		3,190.22	920.2	47.33	2,935,640.44
335	Manchester		3,181.57	10,689.9	41.50	34,010,665.14
355	Milan		3,156.41	175.1	57.50	552,687.39
555	Weare		3,107.73	1,209.7	58.00	3,759,420.98
127	Deerfield		2,887.65	523.0	58.50	1,510,240.95
	Total			98,218.4		
	1/2 of Total			49,109.2		
	Total for 50% Lower Cost			49,660.3		182,190,274.52

Per Pupil	3,668.73
X	0.9025
	3,311.03
Base Cost	**$3,311**

Columns 1-3- Current Law	Columns 4-6- HB 608	Columns 7-9- Difference
(Column 1) shows the total value of state education funding town-by-town under current law. It consists of funds raised by the statewide property tax at the current rate of $5.80/thousand (Column 2) and cash payments by the state (Column 3).	(Column 4) shows the total value of state education funding town-by-town under HB 608 as amended. It consists of funds raised at reduced rates of the statewide property tax beginning at $4.92/thousand in 2004 and dropping to $4.72/thousand in 2005 (Column 5)*, and the total cash payments by the state, including targeted aid (Column 6). *The statewide property tax rates continues to drop every year after 2005 until it reaches $3.92/thousand in 2009.	(Column 7) shows, town-by-town the amount of statewide property taxes taxpayers will save under HB 608 at $4.92/thousand compared with what they would pay under current law at $5.80/thousand. (Column 8) shows the difference in total state cash payments to the towns and cities under HB 608 compared with current law. A positive number for receiving towns shows that the town would receive a larger grant under HB 608 than under current law. For donor towns, a positive number indicates how much less is collected under HB 608 than under current law. (Column 9) is the sum of the benefit received by each town from the reduction in statewide property taxes collected under HB 608 (Column 7), plus the net increase in state cash payments under HB 608 compared with current law (Column 8).

Assumptions:

1. The Northeast Consumer Price Index increases 2.4% in 2004 and 2.6% in 2005.
2. The equalized assessed valuation of real property throughout the state and in every town increases 15% in 2004 (actual), and 8% in 2005. These are DRA's current official projections.
3. The statewide property tax rate drops from $5.80/thousand this year to $4.92/thousand in 2004 and $4.72/thousand in 2005.
4. Student numbers and transportation costs are held constant for purposes of comparison.

2A

CURRENT LAW vs HB 608

	1	2	3	4	5	6	7	8	9
		CURRENT LAW			HB 608			DIFFERENCE	
FY 2004	Cost of	SWPT	Net	Cost of	SWPT	Net	SWPT Savings	Net Grant Increases	Total
City/Town	Adequacy	Raised	Grant	Adequacy	Raised	Grant	HB 608	HB 608	Economic
		@ 5.80			@ 4.92		vs Current	vs Current	Benefit
Total	955,542,817	558,023,749	397,519,068	885,019,240	473,358,076	421,663,208	84,665,673	24,144,139	108,809,812
ACWORTH	739,778	269,345	470,433	656,384	228,479	444,299	40,866	(26,133)	14,733
ALBANY	588,217	293,746	294,471	546,282	249,177	299,402	44,569	4,931	49,499
ALEXANDRIA	1,228,465	528,483	699,982	1,126,743	448,299	678,444	80,184	(21,538)	58,646
ALLENSTOWN	4,059,921	998,026	3,061,895	3,777,417	846,601	3,109,785	151,425	47,890	199,315
ALSTEAD	1,664,295	480,230	1,184,065	1,553,346	407,368	1,188,682	72,862	4,617	77,479
ALTON	3,180,062	4,540,062	(1,360,000)	2,835,636	3,851,225	(1,015,589)	688,837	344,411	1,033,249
AMHERST	10,957,763	6,761,622	4,196,141	10,234,739	5,735,721	4,499,018	1,025,901	302,877	1,328,778
ANDOVER	1,508,126	849,922	658,204	1,374,916	720,968	653,948	128,954	(4,256)	124,698
ANTRIM	2,603,704	797,703	1,806,001	2,379,172	676,673	1,771,847	121,030	(34,153)	86,877
ASHLAND	1,486,622	692,900	793,722	1,355,626	587,770	774,108	105,130	(19,614)	85,516
ATK. & GILMANTON ACAD.		4,321	(4,321)		3,666	(3,666)	655	655	1,311
ATKINSON	4,281,764	3,881,779	399,985	3,984,653	3,292,819	691,834	588,960	291,849	880,809
AUBURN	4,025,212	2,143,948	1,881,264	3,724,995	1,818,660	1,906,335	325,288	25,071	350,360
BARNSTEAD	3,471,201	1,506,926	1,964,275	3,192,064	1,278,289	1,916,314	228,637	(47,961)	180,676
BARRINGTON	5,966,342	2,826,030	3,140,312	5,486,158	2,397,253	3,197,936	428,777	57,624	486,401
BARTLETT	2,088,366	3,075,422	(987,056)	1,923,190	2,608,806	(685,616)	466,616	301,440	768,056
BATH	801,381	270,087	531,294	730,406	229,108	501,298	40,979	(29,996)	10,982
BEAN'S PURCHASE		452	(452)		383	(383)	69	69	138
BEDFORD	15,058,259	12,667,407	2,390,852	14,047,642	10,745,456	3,302,186	1,921,951	911,334	2,833,285
BELMONT	5,404,510	2,314,034	3,090,476	5,005,166	1,962,939	3,061,708	351,095	(28,768)	322,327
BENNINGTON	1,152,975	364,839	788,136	1,049,111	309,484	767,793	55,355	(20,343)	35,013
BENTON	191,087	91,260	99,827	178,650	77,413	101,237	13,847	1,410	15,257
BERLIN	7,784,871	1,487,886	6,296,985	7,348,625	1,262,138	6,326,526	225,748	29,542	255,290
BETHLEHEM	1,976,882	815,921	1,160,961	1,867,616	692,126	1,207,551	123,795	46,590	170,384
BOSCAWEN	2,487,949	929,986	1,557,963	2,280,733	788,885	1,552,707	141,101	(5,256)	135,845
BOW	7,362,575	4,048,139	3,314,436	6,853,131	3,433,939	3,419,192	614,200	104,756	718,957
BRADFORD	1,237,498	635,404	602,094	1,102,824	538,998	563,826	96,406	(38,268)	58,137
BRENTWOOD	2,407,862	1,620,843	787,019	2,263,695	1,374,922	888,773	245,921	101,754	347,674

CURRENT LAW vs HB 608

	CURRENT LAW			HB 608			DIFFERENCE		
FY 2004	Cost of	SWPT	Net	Cost of	SWPT	Net	SWPT Savings	Net Grant Increases	Total
City/Town	Adequacy	Raised	Grant	Adequacy	Raised	Grant	HB 608	HB 608	Economic
		@ 5.80			@ 4.92		vs Current	vs Current	Benefit
Total	955,542,817	558,023,749	397,519,068	885,019,240	473,358,076	421,663,208	84,665,673	24,144,139	108,809,812
BRIDGEWATER	623,926	968,284	(344,358)	583,781	821,372	(237,591)	146,912	106,767	253,678
BRISTOL	2,567,769	1,299,355	1,268,414	2,388,746	1,102,212	1,288,102	197,143	19,688	216,831
BROOKFIELD	441,063	344,185	96,878	403,842	291,964	111,878	52,221	15,000	67,221
BROOKLINE	4,074,740	1,803,133	2,271,607	3,807,980	1,529,554	2,344,909	273,579	73,302	346,881
CAMBRIDGE	2,931	32,876	(29,945)	2,931	27,888	(24,957)	4,988	4,988	9,976
CAMPTON	2,431,265	1,077,293	1,353,972	2,249,887	913,841	1,360,681	163,452	6,709	170,161
CANAAN	2,783,134	1,008,779	1,774,355	2,577,242	855,723	1,782,907	153,056	8,552	161,608
CANDIA	3,038,347	1,616,586	1,421,761	2,785,473	1,371,311	1,419,436	245,275	(2,326)	242,949
CANTERBURY	1,325,614	859,793	465,821	1,203,465	729,341	474,124	130,452	8,303	138,755
CARROLL	479,138	790,212	(311,074)	442,231	670,318	(228,087)	119,894	82,987	202,881
CENTER HARBOR	788,872	1,661,620	(872,748)	744,585	1,409,512	(664,927)	252,108	207,821	459,929
CHANDLER'S PURCHASE		98	(98)		83	(83)	15	15	31
CHARLESTOWN	4,255,491	944,326	3,311,165	3,975,352	801,049	3,341,082	143,277	29,917	173,194
CHATHAM	259,644	178,278	81,366	244,645	151,229	93,416	27,049	12,050	39,098
CHESTER	3,347,325	1,865,991	1,481,334	3,005,105	1,582,875	1,432,694	283,116	(48,640)	234,475
CHESTERFIELD	3,007,868	1,682,890	1,324,978	2,867,403	1,427,555	1,440,696	255,335	115,718	371,054
CHICHESTER	1,617,414	877,242	740,172	1,450,188	744,143	706,045	133,099	(34,127)	98,972
CLAREMONT	10,594,991	2,953,357	7,641,634	9,811,672	2,505,261	7,591,698	448,096	(49,937)	398,159
CLARKSVILLE	180,301	108,645	71,656	168,507	92,161	76,346	16,484	4,690	21,175
COLEBROOK	1,814,173	452,807	1,361,366	1,642,311	384,106	1,313,299	68,701	(48,067)	20,635
COLUMBIA	608,757	180,531	428,226	539,610	153,140	386,470	27,391	(41,756)	(14,364)
CONCORD	28,144,723	14,362,318	13,782,405	26,152,713	12,194,439	14,267,034	2,167,879	484,628	2,652,507
CONWAY	7,567,756	4,927,746	2,640,010	6,886,879	4,180,088	2,706,791	747,658	66,781	814,439
CORNISH	1,287,601	501,662	785,939	1,221,330	425,548	806,777	76,114	20,838	96,952
CRAWFORD'S PURCH.		818	(818)		694	(694)	124	124	247
CROYDON	397,887	229,256	168,631	378,375	194,472	183,903	34,784	15,272	50,056
DALTON	809,139	257,159	551,980	741,159	218,142	534,187	39,017	(17,793)	21,224
DANBURY	887,427	369,598	517,829	799,366	313,521	490,192	56,077	(27,637)	28,440
DANVILLE	3,373,969	1,493,322	1,880,647	3,105,459	1,266,749	1,932,752	226,573	52,105	278,679

CURRENT LAW vs HB 608

	CURRENT LAW			HB 608			DIFFERENCE		
FY 2004	Cost of	SWPT	Net	Cost of	SWPT	Net	SWPT Savings	Net Grant Increases	Total
City/Town	Adequacy	Raised	Grant	Adequacy	Raised	Grant	HB 608	HB 608	Economic
		@ 5.80			@ 4.92		vs Current	vs Current	Benefit
Total	955,542,817	558,023,749	397,519,068	885,019,240	473,358,076	421,663,208	84,665,673	24,144,139	108,809,812
DEERFIELD	3,489,873	1,615,808	1,874,065	3,224,274	1,370,651	1,878,714	245,157	4,649	249,806
DEERING	1,604,114	527,208	1,076,906	1,392,025	447,218	961,571	79,990	(115,335)	(35,345)
DERRY	30,429,121	11,247,511	19,181,610	28,531,639	9,540,992	19,935,363	1,706,519	753,753	2,460,272
DIX GRANT	-	4,690	(4,690)	-	3,979	(3,979)	711	711	1,422
DIXVILLE	-	100,134	(100,134)	-	84,941	(84,941)	15,193	15,193	30,386
DORCHESTER	323,382	110,035	213,347	301,729	93,340	214,670	16,695	1,324	18,019
DOVER	15,415,025	10,275,476	5,139,549	14,290,187	8,716,438	5,578,082	1,559,038	438,533	1,997,571
DUBLIN	782,052	1,063,255	(281,203)	690,560	901,934	(211,374)	161,321	69,829	231,150
DUMMER	289,193	189,771	99,422	274,393	160,978	113,415	28,793	13,993	42,786
DUNBARTON	1,665,714	970,071	695,643	1,480,403	822,888	657,515	147,183	(38,128)	109,055
DURHAM	4,799,312	3,468,356	1,330,956	4,496,042	2,942,123	1,608,595	526,233	277,639	803,872
EAST KINGSTON	1,548,403	949,452	598,951	1,435,086	805,397	631,159	144,055	32,207	176,262
EASTON	131,505	189,312	(57,807)	121,158	160,588	(39,430)	28,724	18,377	47,100
EATON	296,043	266,683	29,360	288,231	226,221	62,010	40,462	32,650	73,112
EFFINGHAM	1,023,264	524,899	498,365	948,534	445,259	513,395	79,640	15,030	94,671
ELLSWORTH	45,760	44,128	1,632	44,416	37,433	6,983	6,695	5,351	12,047
ENFIELD	2,803,375	1,552,972	1,250,403	2,604,263	1,317,349	1,286,914	235,623	36,511	272,134
EPPING	4,465,712	1,949,175	2,516,537	4,106,518	1,653,438	2,554,130	295,737	37,592	333,329
EPSOM	2,875,919	1,385,221	1,490,698	2,721,630	1,175,049	1,573,601	210,172	82,903	293,075
ERROL	182,831	229,189	(46,358)	178,525	194,416	(15,891)	34,773	30,467	65,240
ERVING'S GRANT		548	(548)		465	(465)	83	83	165
EXETER	10,355,405	6,162,324	4,193,081	9,642,907	5,227,351	4,652,517	934,973	459,436	1,394,409
FARMINGTON	6,406,334	1,477,462	4,928,872	5,926,533	1,253,295	4,865,715	224,167	(63,157)	161,010
FITZWILLIAM	1,661,227	789,132	872,095	1,487,417	669,401	818,016	119,731	(54,079)	65,651
FRANCESTOWN	1,262,496	665,716	596,780	1,140,082	564,711	575,371	101,005	(21,409)	79,597
FRANCONIA	704,546	826,785	(122,239)	666,805	701,342	(34,537)	125,443	87,702	213,145
FRANKLIN	7,343,557	1,822,345	5,521,212	6,677,726	1,545,851	5,339,285	276,494	(181,927)	94,567
FREEDOM	637,048	1,458,354	(821,306)	602,676	1,237,086	(634,410)	221,268	186,896	408,164
FREMONT	2,878,110	1,388,094	1,490,016	2,681,692	1,177,487	1,543,773	210,607	53,757	264,364

CURRENT LAW vs HB 608

	CURRENT LAW			HB 608			DIFFERENCE		
FY 2004	Cost of	SWPT	Net	Cost of	SWPT	Net	SWPT Savings	Net Grant Increases	Total
City/Town	Adequacy	Raised	Grant	Adequacy	Raised	Grant	HB 608	HB 608	Economic
		@ 5.80			@ 4.92		vs Current	vs Current	Benefit
Total	955,542,817	558,023,749	397,519,068	885,019,240	473,358,076	421,663,208	84,665,673	24,144,139	108,809,812
GILFORD	5,270,563	5,363,351	(92,788)	4,903,082	4,549,602	353,480	813,749	446,268	1,260,018
GILMANTON	2,391,270	1,282,674	1,108,596	2,280,921	1,088,062	1,192,859	194,612	84,263	278,875
GILSUM	530,753	183,773	346,980	470,095	155,890	322,835	27,883	(24,145)	3,738
GOFFSTOWN	10,696,457	5,460,821	5,235,636	9,813,361	4,632,283	5,190,242	828,538	(45,394)	783,144
GORHAM	2,186,738	800,246	1,386,492	2,048,188	678,829	1,410,889	121,417	24,397	145,814
GOSHEN	660,911	218,581	442,330	593,203	185,417	420,615	33,164	(21,715)	11,449
GRAFTON	899,640	311,514	588,126	830,937	264,250	585,967	47,264	(2,159)	45,105
GRANTHAM	1,263,820	1,701,029	(437,209)	1,182,399	1,442,942	(260,543)	258,087	176,666	434,753
GREENFIELD	1,278,276	550,843	727,433	1,138,973	467,267	690,537	83,576	(36,895)	46,681
GREENLAND	2,093,417	2,297,538	(204,121)	1,998,680	1,948,946	49,734	348,592	253,855	602,448
GREEN'S GRANT		13,257	(13,257)		11,246	(11,246)	2,011	2,011	4,023
GREENVILLE	1,885,567	407,902	1,477,665	1,712,831	346,014	1,451,640	61,888	(26,025)	35,864
GROTON	450,522	169,112	281,410	416,728	143,454	273,274	25,658	(8,136)	17,522
HALES LOCATION	-	210,095	(210,095)	-	178,219	(178,219)	31,876	31,876	63,753
HAMPSTEAD	7,527,457	4,276,470	3,250,987	6,931,569	3,627,626	3,386,183	648,844	135,195	784,039
HAMPTON	9,086,594	11,531,819	(2,445,225)	8,553,975	9,782,164	(1,228,189)	1,749,655	1,217,036	2,966,691
HAMPTON FALLS	1,460,989	1,566,946	(105,957)	1,381,423	1,329,202	52,221	237,744	158,178	395,922
HANCOCK	1,306,700	924,400	382,300	1,195,141	784,146	410,995	140,254	28,695	168,948
HANOVER	4,799,718	6,708,441	(1,908,723)	4,587,506	5,690,608	(1,103,102)	1,017,833	805,621	1,823,454
HARRISVILLE	636,874	580,093	56,781	554,701	492,079	62,622	88,014	5,841	93,854
HART'S LOCATION	30,795	59,441	(28,646)	28,353	50,422	(22,069)	9,019	6,577	15,596
HAVERHILL	3,936,631	1,047,161	2,889,470	3,589,118	888,281	2,787,995	158,880	(101,475)	57,404
HEBRON	242,144	823,646	(581,502)	228,357	698,679	(470,322)	124,967	111,180	236,146
HENNIKER	3,734,094	1,425,026	2,309,068	3,525,375	1,208,816	2,404,506	216,210	95,439	311,649
HILL	775,753	298,099	477,654	731,603	252,870	480,270	45,229	2,617	47,846
HILLSBORO	5,116,344	1,571,786	3,544,558	4,533,986	1,333,308	3,264,214	238,478	(280,345)	(41,867)
HINSDALE	3,870,209	850,684	3,019,525	3,558,041	721,615	2,987,565	129,069	(31,960)	97,109
HOLDERNESS	1,559,170	1,947,342	(388,172)	1,431,808	1,651,883	(220,075)	295,459	168,097	463,556
HOLLIS	6,342,879	5,137,766	1,205,113	5,964,850	4,358,243	1,606,607	779,523	401,494	1,181,017

CURRENT LAW vs HB 608

	CURRENT LAW			HB 608			DIFFERENCE		
FY 2004	Cost of	SWPT	Net	Cost of	SWPT	Net	SWPT Savings	Net Grant Increases	Total
City/Town	Adequacy	Raised	Grant	Adequacy	Raised	Grant	HB 608	HB 608	Economic
		@ 5.80			@ 4.92		vs Current	vs Current	Benefit
Total	955,542,817	558,023,749	397,519,068	885,019,240	473,358,076	421,663,208	84,665,673	24,144,139	108,809,812
HOOKSETT	8,091,990	5,519,703	2,572,287	7,497,898	4,682,231	2,815,667	837,472	243,380	1,080,852
HOPKINTON	4,436,013	2,504,179	1,931,834	4,027,454	2,124,235	1,903,219	379,944	(28,615)	351,329
HUDSON	17,284,550	10,856,303	6,428,247	16,128,588	9,209,140	6,919,448	1,647,163	491,201	2,138,364
JACKSON	447,345	1,264,819	(817,474)	425,660	1,072,916	(647,256)	191,903	170,218	362,122
JAFFREY	4,114,272	1,789,702	2,324,570	3,824,433	1,518,161	2,351,647	271,541	27,076	298,617
JEFFERSON	850,533	379,862	470,671	788,564	322,227	466,337	57,635	(4,334)	53,300
KEENE	15,319,518	6,585,179	8,734,339	14,102,797	5,586,048	8,840,847	999,131	106,508	1,105,639
KENSINGTON	1,542,443	1,157,115	385,328	1,461,165	981,553	479,612	175,562	94,284	269,847
KINGSTON	4,641,699	2,694,083	1,947,616	4,259,706	2,285,326	1,974,380	408,757	26,764	435,521
LACONIA	12,749,411	6,403,801	6,345,610	11,911,165	5,432,189	6,478,976	971,612	133,366	1,104,977
LANCASTER	3,280,515	795,989	2,484,526	2,949,497	675,219	2,335,900	120,770	(148,626)	(27,855)
LANDAFF	242,104	122,991	119,113	215,240	104,330	110,910	18,661	(8,203)	10,458
LANGDON	444,348	189,869	254,479	411,336	161,062	255,943	28,807	1,464	30,272
LEBANON	8,113,563	6,022,268	2,091,295	7,509,684	5,108,545	2,401,139	913,723	309,844	1,223,567
LEE	4,250,329	1,751,441	2,498,888	3,983,325	1,485,705	2,629,308	265,736	130,420	396,156
LEMPSTER	776,898	259,209	517,689	725,978	219,881	520,180	39,328	2,491	41,819
LINCOLN	846,769	2,218,390	(1,371,621)	775,432	1,881,806	(1,106,374)	336,584	265,247	601,830
LISBON	1,597,088	374,531	1,222,557	1,507,216	317,705	1,229,864	56,826	7,307	64,133
LITCHFIELD	6,791,989	2,787,466	4,004,523	6,361,375	2,364,540	4,086,106	422,926	81,583	504,509
LITTLETON	5,130,715	1,799,208	3,331,507	4,787,583	1,526,225	3,307,749	272,983	(23,758)	249,225
LIVERMORE		299	(299)		253	(253)	46	46	91
LONDONDERRY	24,449,409	10,931,762	13,517,647	22,707,497	9,273,150	13,699,460	1,658,612	181,813	1,840,425
LOUDON	3,796,918	1,755,968	2,040,950	3,408,452	1,478,314	1,937,098	277,654	(103,852)	173,803
LYMAN	327,272	151,837	175,435	304,197	128,800	175,397	23,037	(38)	22,999
LYME	1,223,669	1,043,041	180,628	1,159,743	884,787	274,956	158,254	94,328	252,583
LYNDEBOROUGH	1,339,706	754,776	584,930	1,177,675	640,258	537,417	114,518	(47,513)	67,004
MADBURY	1,626,101	631,373	994,728	1,500,631	535,578	1,014,943	95,795	20,214	116,009
MADISON	1,731,786	1,283,776	448,010	1,604,856	1,088,997	515,859	194,779	67,849	262,629
MANCHESTER	77,265,055	32,819,531	44,445,524	71,978,256	27,840,016	45,544,509	4,979,515	1,098,984	6,078,499

CURRENT LAW vs HB 608

	CURRENT LAW			HB 608			DIFFERENCE		
FY 2004	Cost of	SWPT	Net	Cost of	SWPT	Net	SWPT Savings	Net Grant Increases	Total
City/Town	Adequacy	Raised	Grant	Adequacy	Raised	Grant	HB 608	HB 608	Economic
		@ 5.80			@ 4.92		vs Current	vs Current	Benefit
Total	955,542,817	558,023,749	397,519,068	885,019,240	473,358,076	421,663,208	84,665,673	24,144,139	108,809,812
MARLBOROUGH	1,615,254	569,012	1,046,242	1,505,565	482,679	1,051,058	86,333	4,815	91,148
MARLOW	591,801	213,932	377,869	544,283	181,473	369,224	32,459	(8,645)	23,814
MASON	810,155	576,197	233,958	724,438	488,774	235,664	87,423	1,706	89,128
MEREDITH	4,429,875	5,159,373	(729,498)	4,139,616	4,376,571	(236,955)	782,802	492,543	1,275,344
MERRIMACK	21,710,519	12,421,654	9,288,865	20,015,792	10,536,989	9,478,803	1,884,665	189,938	2,074,603
MIDDLETON	1,332,435	493,047	839,388	1,258,119	418,240	867,601	74,807	28,213	103,020
MILAN	1,242,533	328,403	914,130	1,187,964	278,576	938,998	49,827	24,868	74,695
MILFORD	10,714,170	5,429,263	5,284,907	9,998,362	4,605,513	5,539,209	823,750	254,302	1,078,053
MILLSFIELD	2,457	28,025	(25,568)	2,457	23,773	(21,316)	4,252	4,252	8,505
MILTON	3,699,757	1,161,410	2,538,347	3,415,725	985,196	2,502,336	176,214	(36,012)	140,202
MONROE	654,160	230,155	424,005	604,790	195,235	409,555	34,920	(14,450)	20,470
MONT VERNON	1,963,305	893,173	1,070,132	1,818,313	757,657	1,092,743	135,516	22,611	158,127
MOULTONBOROUGH	3,187,408	9,629,465	(6,442,057)	2,951,149	8,168,443	(5,217,294)	1,461,022	1,224,763	2,685,786
NASHUA	62,274,212	37,276,631	24,997,581	57,983,237	31,620,866	26,362,371	5,655,765	1,364,790	7,020,554
NELSON	551,171	318,596	232,575	473,672	270,257	203,415	48,339	(29,160)	19,178
NEW BOSTON	3,375,274	1,831,053	1,544,221	3,188,710	1,553,238	1,635,472	277,815	91,251	369,065
NEW CASTLE	446,696	2,347,853	(1,901,157)	418,670	1,991,627	(1,572,957)	356,226	328,200	684,426
NEW DURHAM	2,014,530	1,129,019	885,511	1,846,151	957,719	888,432	171,300	2,921	174,221
NEW HAMPTON	1,525,794	760,669	765,125	1,376,992	645,257	731,735	115,412	(33,390)	82,021
NEW IPSWICH	3,972,163	1,394,107	2,578,061	3,421,146	1,182,587	2,325,469	211,520	(252,592)	(41,072)
NEW LONDON	1,912,161	3,116,337	(1,204,176)	1,761,725	2,643,514	(881,789)	472,823	322,387	795,210
NEWBURY	1,470,509	1,878,562	(408,053)	1,351,784	1,593,539	(241,755)	285,023	166,298	451,322
NEWFIELDS	1,280,581	1,017,061	263,520	1,199,331	862,748	336,583	154,313	73,063	227,376
NEWINGTON	496,555	2,663,775	(2,167,220)	461,216	2,259,616	(1,798,400)	404,159	368,820	772,979
NEWMARKET	4,915,537	2,683,392	2,232,145	4,520,832	2,276,256	2,339,157	407,136	107,011	514,147
NEWPORT	6,200,790	1,471,459	4,729,331	5,771,410	1,248,203	4,698,980	223,256	(30,351)	192,905
NEWTON	3,666,840	1,691,023	1,975,817	3,355,836	1,434,454	1,968,777	256,569	(7,040)	249,529
NORTH HAMPTON	2,921,123	3,722,174	(801,051)	2,710,086	3,157,430	(447,344)	564,744	353,707	918,451
NORTHFIELD	3,971,668	1,083,968	2,887,700	3,684,222	919,504	2,889,565	164,464	1,865	166,329

CURRENT LAW vs HB 608

	CURRENT LAW			HB 608			DIFFERENCE		
FY 2004	Cost of	SWPT	Net	Cost of	SWPT	Net	SWPT Savings	Net Grant Increases	Total
City/Town	Adequacy	Raised	Grant	Adequacy	Raised	Grant	HB 608	HB 608	Economic
		@ 5.80			@ 4.92		vs Current	vs Current	Benefit
Total	955,542,817	558,023,749	397,519,068	885,019,240	473,358,076	421,663,208	84,665,673	24,144,139	108,809,812
NORTHUMBERLAND	2,491,307	486,954	2,004,353	2,298,574	413,072	1,956,650	73,882	(47,702)	26,180
NORTHWOOD	3,529,800	1,580,477	1,949,323	3,230,757	1,340,681	1,913,210	239,796	(36,113)	203,684
NOTTINGHAM	3,117,320	1,860,524	1,256,796	2,914,541	1,578,238	1,336,303	282,286	79,507	361,793
ODELL	-	9,324	(9,324)	-	7,910	(7,910)	1,414	1,414	2,829
ORANGE	232,513	93,947	138,566	217,986	79,693	144,817	14,254	6,251	20,505
ORFORD	723,495	427,879	295,616	665,305	362,959	302,346	64,920	6,730	71,650
OSSIPEE	3,725,997	1,861,484	1,864,513	3,419,215	1,579,052	1,870,533	282,432	6,020	288,452
PELHAM	8,627,261	5,581,990	3,045,271	7,919,349	4,735,067	3,184,282	846,923	139,011	985,934
PEMBROKE	5,335,095	2,076,189	3,258,906	5,007,421	1,761,181	3,354,524	315,008	95,619	410,627
PETERBOROUGH	4,781,043	2,536,474	2,244,569	4,404,093	2,151,630	2,295,034	384,844	50,465	435,308
PIERMONT	553,712	281,836	271,876	513,632	239,075	276,850	42,761	4,974	47,735
PINKHAM'S GRANT	-	17,326	(17,326)	-	14,698	(14,698)	2,628	2,628	5,257
PITTSBURG	571,726	720,280	(148,554)	529,004	610,996	(81,992)	109,284	66,562	175,846
PITTSFIELD	3,877,439	881,367	2,996,072	3,529,210	747,642	2,936,309	133,725	(59,763)	73,961
PLAINFIELD	1,591,727	909,426	682,301	1,536,512	771,444	765,068	137,982	82,767	220,749
PLAISTOW	5,911,354	4,069,705	1,841,649	5,496,689	3,452,233	2,044,456	617,472	202,807	820,280
PLYMOUTH	3,994,594	1,104,243	2,890,351	3,707,743	936,703	2,890,206	167,540	(145)	167,396
PORTSMOUTH	10,689,745	16,587,768	(5,898,023)	9,980,960	14,071,003	(4,090,043)	2,516,765	1,807,980	4,324,745
RANDOLPH	206,430	215,554	(9,124)	192,699	182,849	9,850	32,705	18,974	51,679
RAYMOND	8,695,462	3,255,287	5,440,175	7,997,226	2,761,382	5,408,592	493,905	(31,582)	462,323
RICHMOND	925,773	340,185	585,588	853,504	288,571	583,300	51,614	(2,288)	49,327
RINDGE	3,640,576	2,025,290	1,615,286	3,374,029	1,718,005	1,656,024	307,285	40,738	348,024
ROCHESTER	22,542,774	8,212,735	14,330,039	20,701,507	6,966,665	14,170,533	1,246,070	(159,506)	1,086,564
ROLLINSFORD	1,438,076	986,662	451,414	1,365,737	836,962	528,775	149,700	77,361	227,062
ROXBURY	175,944	91,669	84,275	162,746	77,760	84,986	13,909	711	14,619
RUMNEY	1,425,753	582,245	843,508	1,227,477	493,904	733,573	88,341	(109,935)	(21,595)
RYE	3,118,496	6,903,397	(3,784,901)	2,968,287	5,855,985	(2,887,698)	1,047,412	897,203	1,944,616
SALEM	19,318,668	17,574,358	1,744,310	18,001,761	14,907,903	3,093,858	2,666,455	1,349,548	4,016,002
SALISBURY	855,930	435,037	420,893	767,658	369,031	398,627	66,006	(22,266)	43,739

CURRENT LAW vs HB 608

	CURRENT LAW			HB 608			DIFFERENCE		
FY 2004	Cost of	SWPT	Net	Cost of	SWPT	Net	SWPT Savings	Net Grant Increases	Total
City/Town	Adequacy	Raised	Grant	Adequacy	Raised	Grant	HB 608	HB 608	Economic
		@ 5.80			@ 4.92		vs Current	vs Current	Benefit
Total	955,542,817	558,023,749	397,519,068	885,019,240	473,358,076	421,663,208	84,665,673	24,144,139	108,809,812
SANBORNTON	1,951,128	1,380,018	571,110	1,766,651	1,170,636	596,015	209,382	24,905	234,287
SANDOWN	4,925,324	1,956,337	2,968,987	4,500,065	1,659,513	2,913,181	296,824	(55,806)	241,018
SANDWICH	934,152	1,336,952	(402,800)	824,332	1,134,104	(309,772)	202,848	93,028	295,876
SARGENT'S PURCHASE		29,687	(29,687)		25,183	(25,183)	4,504	4,504	9,008
SEABROOK	5,777,903	4,550,914	1,226,989	5,370,881	3,860,431	1,510,450	690,483	283,461	973,944
SECOND COLLEGE GR.		9,291	(9,291)		7,881	(7,881)	1,410	1,410	2,820
SHARON	249,252	177,612	71,650	230,959	150,664	80,295	26,948	8,645	35,592
SHELBURNE	274,084	171,685	102,399	245,953	145,636	100,317	26,049	(2,082)	23,966
SOMERSWORTH	8,280,860	3,123,128	5,157,732	7,666,190	2,649,274	5,186,728	473,854	28,996	502,850
SOUTH HAMPTON	629,018	603,381	25,637	589,796	511,833	77,963	91,548	52,326	143,874
SPRINGFIELD	886,200	549,201	336,999	814,479	465,874	348,605	83,327	11,606	94,933
STARK	557,618	139,181	418,437	525,432	118,063	407,369	21,118	(11,068)	10,049
STEWARTSTOWN	745,393	218,093	527,300	670,876	185,003	485,873	33,090	(41,427)	(8,338)
STODDARD	508,630	683,302	(174,672)	469,082	579,629	(110,547)	103,673	64,125	167,799
STRAFFORD	3,509,929	1,605,469	1,904,460	3,283,859	1,361,880	1,960,038	243,589	55,577	299,166
STRATFORD	915,194	149,599	765,595	835,383	126,901	712,673	22,698	(52,922)	(30,224)
STRATHAM	5,625,931	4,579,867	1,046,064	5,304,805	3,884,991	1,419,814	694,876	373,750	1,068,627
SUCCESS	-	46,851	(46,851)	-	39,743	(39,743)	7,108	7,108	14,216
SUGAR HILL	319,337	482,842	(163,505)	293,347	409,584	(116,237)	73,258	47,268	120,527
SULLIVAN	475,901	144,293	331,608	430,355	122,400	316,749	21,893	(14,859)	7,035
SUNAPEE	2,354,028	3,148,765	(794,737)	2,230,175	2,671,021	(440,846)	477,744	353,891	831,635
SURRY	454,724	270,422	184,302	404,891	229,392	175,499	41,030	(8,803)	32,227
SUTTON	1,230,782	790,043	440,739	1,113,378	670,175	443,203	119,868	2,464	122,333
SWANZEY	5,956,884	1,939,301	4,017,583	5,458,070	1,645,062	3,985,337	294,239	(32,246)	261,994
TAMWORTH	1,934,812	982,307	952,505	1,740,011	833,267	915,885	149,040	(36,620)	112,419
TEMPLE	1,054,139	499,473	554,666	963,580	423,691	543,811	75,782	(10,855)	64,927
THOM. & MES. PURCH.		25,900	(25,900)		21,970	(21,970)	3,930	3,930	7,860
THORNTON	1,460,830	932,563	528,267	1,341,029	791,071	549,958	141,492	21,691	163,183
TILTON	2,911,269	1,648,929	1,262,340	2,684,511	1,398,747	1,285,764	250,182	23,424	273,606

CURRENT LAW vs HB 608

	CURRENT LAW			HB 608			DIFFERENCE		
FY 2004	Cost of	SWPT	Net	Cost of	SWPT	Net	SWPT Savings	Net Grant Increases	Total
City/Town	Adequacy	Raised	Grant	Adequacy	Raised	Grant	HB 608	HB 608	Economic
		@ 5.80			@ 4.92		vs Current	vs Current	Benefit
Total	955,542,817	558,023,749	397,519,068	885,019,240	473,358,076	421,663,208	84,665,673	24,144,139	108,809,812
TROY	1,896,849	477,958	1,418,891	1,726,058	405,440	1,383,727	72,518	(35,164)	37,354
TUFTONBORO	1,429,335	2,676,871	(1,247,536)	1,269,102	2,270,725	(1,001,623)	406,146	245,913	652,060
UNITY	872,993	345,726	527,267	810,123	293,271	528,119	52,455	851	53,306
WAKEFIELD	3,992,979	2,312,578	1,680,401	3,782,631	1,961,704	1,820,927	350,874	140,526	491,399
WALPOLE	2,798,144	1,452,304	1,345,840	2,582,847	1,231,954	1,365,795	220,350	19,955	240,304
WARNER	2,215,351	981,666	1,233,685	1,910,772	832,724	1,102,672	148,942	(131,013)	17,930
WARREN	834,963	184,303	650,660	779,685	156,340	648,003	27,963	(2,657)	25,306
WASHINGTON	628,937	604,444	24,493	577,426	512,736	64,690	91,708	40,197	131,906
WATERVILLE VALLEY	166,473	1,128,510	(962,037)	157,635	957,288	(799,653)	171,222	162,384	333,606
WEARE	7,742,742	2,666,067	5,076,675	7,199,387	2,261,560	5,123,758	404,507	47,083	451,589
WEBSTER	1,181,531	576,182	605,349	1,068,354	488,761	579,593	87,421	(25,756)	61,665
WENTWORTH	852,513	237,691	614,822	785,223	201,627	600,706	36,064	(14,116)	21,947
WENTWORTH LOC.	14,314	47,383	(33,069)	14,314	40,194	(25,880)	7,189	7,189	14,378
WESTMORELAND	1,265,566	558,931	706,635	1,158,420	474,128	693,727	84,803	(12,908)	71,895
WHITEFIELD	1,838,605	523,057	1,315,548	1,692,267	443,697	1,285,269	79,360	(30,279)	49,081
WILMOT	876,006	505,642	370,364	818,133	428,924	402,443	76,718	32,079	108,797
WILTON	2,512,970	1,530,636	982,334	2,216,486	1,298,402	918,084	232,234	(64,250)	167,984
WINCHESTER	4,133,628	868,779	3,264,849	3,771,834	736,964	3,162,318	131,815	(102,531)	29,284
WINDHAM	9,405,355	7,263,527	2,141,828	8,669,644	6,161,475	2,508,169	1,102,052	366,341	1,468,393
WINDSOR	112,257	84,131	28,126	107,654	71,366	36,288	12,765	8,162	20,927
WOLFEBORO	4,387,211	5,152,302	(765,091)	4,036,428	4,370,573	(334,145)	781,729	430,946	1,212,675
WOODSTOCK	820,749	873,937	(53,188)	755,697	741,339	14,358	132,598	67,546	200,143
	955,542,817	558,023,749	397,519,068	885,019,240	473,358,076	421,663,208	84,665,673	24,144,139	108,809,812

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CURRENT LAW vs HB 608

	CURRENT LAW			HB 608			DIFFERENCE		
FY 2005	Cost of	SWPT	Net	Cost of	SWPT	Net	SWPT Savings	Net Grant Increases	Total
City/Town	Adequacy	Raised	Grant	Adequacy	Raised	Grant	HB 608	HB 608	Economic
		@ 5.80			@ 4.72		vs Current	vs Current	Benefit
	968,356,454	602,665,649	365,690,605	907,161,901	490,445,158	431,717,012	112,220,491	66,026,206	178,246,697
ACWORTH	750,846	290,893	459,953	672,444	236,727	458,850	54,166	(1,103)	53,063
ALBANY	596,524	317,245	279,279	559,605	258,172	307,678	59,073	28,399	87,473
ALEXANDRIA	1249031	570761.4491	678269.5509	1,154,005	464,482	689,523	106,279	11,253	117,533
ALLENSTOWN	4,110,898	1,077,868	3,033,030	3,873,539	877,162	3,226,774	200,706	193,744	394,450
ALSTEAD	1,688,621	518,649	1,169,972	1,591,670	422,073	1,228,474	96,576	58,502	155,077
ALTON	3,224,452	4,903,267	(1,678,815)	2,905,614	3,990,245	(1,084,631)	913,022	594,184	1,507,207
AMHERST	11,078,823	7,302,552	3,776,271	10,489,561	5,942,766	4,546,795	1,359,786	770,524	2,130,309
ANDOVER	1,531,767	917,916	613,851	1,408,083	746,994	661,089	170,922	47,238	218,160
ANTRIM	2,637,820	861,520	1,776,300	2,437,921	701,099	1,831,902	160,421	55,602	216,023
ASHLAND	1,512,487	748,332	764,155	1,390,269	608,987	796,131	139,345	31,976	171,321
ATK. & GILMANTON ACAD.		4,667	(4,667)		3,798	(3,798)	869	869	1,738
ATKINSON	4,327,450	4,192,321	135,129	4,085,457	3,411,682	673,775	780,639	538,646	1,319,286
AUBURN	4,070,017	2,315,464	1,754,553	3,818,733	1,884,309	1,934,424	431,155	179,871	611,027
BARNSTEAD	3,520,100	1,627,480	1,892,620	3,270,974	1,324,432	1,970,497	303,048	77,877	380,925
BARRINGTON	6,039,196	3,052,113	2,987,083	5,622,320	2,483,788	3,300,194	568,325	313,111	881,436
BARTLETT	2,123,310	3,321,456	(1,198,146)	1,971,256	2,702,978	(731,722)	618,478	466,424	1,084,902
BATH	815,699	291,694	524,005	748,270	237,378	511,981	54,316	(12,024)	42,291
BEAN'S PURCHASE		488	(488)		397	(397)	91	91	182
BEDFORD	15,244,296	13,680,800	1,563,496	14,393,464	11,133,341	3,260,123	2,547,459	1,696,627	4,244,086
BELMONT	5,475,255	2,499,157	2,976,098	5,129,440	2,033,797	3,151,013	465,360	174,915	640,275
BENNINGTON	1,169,316	394,026	775,290	1,074,710	320,656	793,438	73,370	18,148	91,519
BENTON	194,028	98,561	95,467	183,032	80,208	102,824	18,353	7,357	25,709
BERLIN	7,908,902	1,606,917	6,301,985	7,535,352	1,307,698	6,545,235	299,219	243,251	542,470
BETHLEHEM	2,006,122	881,194	1,124,928	1,913,798	717,110	1,245,306	164,084	120,379	284,463
BOSCAWEN	2,519,454	1,004,385	1,515,069	2,338,215	817,362	1,605,950	187,023	90,881	277,904
BOW	7,443,812	4,371,991	3,071,821	7,023,156	3,557,896	3,465,260	814,095	393,439	1,207,533
BRADFORD	1,254,319	686,236	568,083	1,129,638	558,454	571,184	127,782	3,101	130,883

CURRENT LAW vs HB 608

	CURRENT LAW			HB 608			DIFFERENCE		
FY 2005	Cost of	SWPT	Net	Cost of	SWPT	Net	SWPT Savings	Net Grant Increases	Total
City/Town	Adequacy	Raised	Grant	Adequacy	Raised	Grant	HB 608	HB 608	Economic
		@ 5.80			@ 4.72		vs Current	vs Current	Benefit
	968,356,454	602,665,649	365,690,805	907,161,901	490,445,158	431,717,012	112,220,491	66,026,206	178,246,697
BRENTWOOD	2,433,681	1,750,510	683,171	2,320,420	1,424,553	896,167	325,957	212,996	538,953
BRIDGEWATER	634,944	1,045,746	(410,802)	597,808	851,021	(253,213)	194,725	157,589	352,315
BRISTOL	2,606,793	1,403,304	1,203,489	2,447,741	1,141,999	1,322,370	261,305	118,881	380,185
BROOKFIELD	447,610	371,720	75,890	413,680	302,503	111,177	69,217	35,287	104,503
BROOKLINE	4,120,068	1,947,384	2,172,684	3,902,219	1,584,768	2,420,837	362,616	248,153	610,769
CAMBRIDGE	2,931	35,506	(32,575)	2,931	28,895	(25,964)	6,611	6,611	13,222
CAMPTON	2,470,021	1,163,476	1,306,545	2,304,922	946,829	1,399,622	216,647	93,078	309,725
CANAAN	2,818,878	1,089,482	1,729,396	2,641,711	886,613	1,842,661	202,869	113,264	316,133
CANDIA	3,071,279	1,745,913	1,325,366	2,855,125	1,420,812	1,460,050	325,101	134,684	459,784
CANTERBURY	1,344,248	928,576	415,672	1,233,059	755,669	477,390	172,907	61,718	234,625
CARROLL	489,128	853,429	(364,301)	452,650	694,515	(241,865)	158,914	122,436	281,350
CENTER HARBOR	800,354	1,794,550	(994,196)	762,669	1,460,392	(697,723)	334,158	296,473	630,631
CHANDLER'S PURCHASE		106	(106)		86	(86)	20	20	40
CHARLESTOWN	4,317,820	1,019,872	3,297,948	4,073,569	829,965	3,459,973	189,907	162,024	351,931
CHATHAM	264,066	192,540	71,526	250,330	156,688	93,642	35,852	22,116	57,967
CHESTER	3,386,283	2,015,270	1,371,013	3,079,368	1,640,013	1,472,690	375,257	101,677	476,933
CHESTERFIELD	3,047,111	1,817,522	1,229,589	2,936,193	1,479,087	1,476,084	338,435	246,495	584,930
CHICHESTER	1,637,540	947,421	690,119	1,486,057	771,005	715,052	176,416	24,933	201,349
CLAREMONT	10,767,689	3,189,625	7,578,064	10,061,020	2,595,695	7,850,026	593,930	271,962	865,893
CLARKSVILLE	183,447	117,337	66,110	172,414	95,488	76,926	21,849	10,816	32,665
COLEBROOK	1,843,387	489,032	1,354,355	1,683,504	397,971	1,358,837	91,061	4,482	95,543
COLUMBIA	619,841	194,974	424,867	553,100	158,668	394,432	36,306	(30,435)	5,871
CONCORD	28,481,733	15,511,303	12,970,430	26,813,787	12,634,629	14,709,444	2,876,674	1,739,014	4,615,688
CONWAY	7,704,607	5,321,966	2,382,641	7,061,119	4,330,979	2,730,140	990,987	347,499	1,338,485
CORNISH	1,301,242	541,795	759,447	1,251,470	440,909	831,096	100,886	71,650	172,536
CRAWFORD'S PURCH.		883	(883)		719	(719)	164	164	328
CROYDON	401,551	247,596	153,955	387,967	201,492	186,475	46,104	32,520	78,625
DALTON	822,431	277,732	544,699	759,577	226,016	550,711	51,716	6,012	57,727

CURRENT LAW vs HB 608

	CURRENT LAW			HB 608			DIFFERENCE		
FY 2005	Cost of	SWPT	Net	Cost of	SWPT	Net	SWPT Savings	Net Grant Increases	Total
City/Town	Adequacy	Raised	Grant	Adequacy	Raised	Grant	HB 608	HB 608	Economic
		@ 5.80			@ 4.72		vs Current	vs Current	Benefit
	968,356,454	602,665,649	365,690,805	907,161,901	490,445,158	431,717,012	112,220,491	66,026,206	178,246,697
DANBURY	902,913	399,166	503,747	818,515	324,839	503,539	74,327	(208)	74,119
DANVILLE	3,408,284	1,612,788	1,795,496	3,184,307	1,312,476	2,001,352	300,312	205,856	506,168
DEERFIELD	3,536,974	1,745,073	1,791,901	3,302,092	1,420,128	1,931,728	324,945	139,827	464,771
DEERING	1,633,894	569,385	1,064,509	1,427,005	463,362	990,908	106,023	(73,601)	32,422
DERRY	30,756,558	12,147,312	18,609,246	29,247,994	9,885,398	20,642,417	2,261,914	2,033,171	4,295,085
DIX GRANT	-	5,065	(5,065)	-	4,122	(4,122)	943	943	1,887
DIXVILLE	-	108,145	(108,145)	-	88,007	(88,007)	20,138	20,138	40,275
DORCHESTER	327,603	118,838	208,765	309,279	96,710	221,728	22,128	12,963	35,091
DOVER	15,625,705	11,097,514	4,528,191	14,650,072	9,031,081	5,717,467	2,066,433	1,189,276	3,255,709
DUBLIN	797,952	1,148,316	(350,364)	706,321	934,491	(228,170)	213,825	122,194	336,018
DUMMER	294,862	204,953	89,909	280,764	166,789	113,975	38,164	24,066	62,229
DUNBARTON	1,690,331	1,047,676	642,655	1,515,849	852,592	663,257	195,084	20,602	215,687
DURHAM	4,864,145	3,745,825	1,118,320	4,603,948	3,048,326	1,647,792	697,499	529,471	1,226,970
EAST KINGSTON	1,565,084	1,025,408	539,676	1,470,876	834,470	647,847	190,938	108,171	299,109
EASTON	133,421	204,457	(71,036)	124,036	166,385	(42,349)	38,072	28,687	66,758
EATON	302,417	288,018	14,399	294,277	234,387	59,890	53,631	45,491	99,121
EFFINGHAM	1,037,761	566,891	470,870	971,889	461,332	528,440	105,559	57,570	163,130
ELLSWORTH	46,321	47,659	(1,338)	45,507	38,784	6,723	8,875	8,061	16,935
ENFIELD	2,839,322	1,677,210	1,162,112	2,669,471	1,364,902	1,305,432	312,308	143,320	455,628
EPPING	4,514,659	2,105,108	2,409,551	4,209,962	1,713,123	2,640,687	391,985	231,136	623,122
EPSOM	2,907,376	1,496,038	1,411,338	2,787,938	1,217,466	1,620,348	278,572	209,010	487,582
ERROL	186,532	247,524	(60,992)	182,740	201,434	(18,694)	46,090	42,298	88,389
ERVING'S GRANT		591	(591)		481	(481)	110	110	221
EXETER	10,465,339	6,655,310	3,810,029	9,884,907	5,416,045	4,807,621	1,239,265	997,591	2,236,856
FARMINGTON	6,521,214	1,595,659	4,925,555	6,075,939	1,298,536	5,031,554	297,123	105,999	403,122
FITZWILLIAM	1,689,319	852,262	837,057	1,523,761	693,565	830,196	158,697	(6,861)	151,836
FRANCESTOWN	1,281,881	718,974	562,907	1,167,556	585,096	582,460	133,878	19,553	153,430
FRANCONIA	713,633	892,928	(179,295)	682,927	726,659	(43,732)	166,269	135,563	301,832

CURRENT LAW vs HB 608

	CURRENT LAW			HB 608			DIFFERENCE		
FY 2005	Cost of	SWPT	Net	Cost of	SWPT	Net	SWPT Savings	Net Grant Increases	Total
City/Town	Adequacy	Raised	Grant	Adequacy	Raised	Grant	HB 608	HB 608	Economic
		@ 5.80			@ 4.72		vs Current	vs Current	Benefit
	968,356,454	602,665,649	365,690,805	907,161,901	490,445,158	431,717,012	112,220,491	66,026,206	178,246,697
FRANKLIN	7,483,540	1,968,132	5,515,408	6,847,038	1,601,653	5,520,625	366,479	5,218	371,697
FREEDOM	646,537	1,575,022	(928,485)	616,730	1,281,742	(665,012)	293,280	263,473	556,753
FREMONT	2,911,280	1,499,141	1,412,139	2,748,695	1,219,991	1,592,296	279,150	180,158	459,308
GILFORD	5,330,179	5,792,420	(462,241)	5,026,352	4,713,831	312,521	1,078,589	774,762	1,853,350
GILMANTON	2,424,250	1,385,288	1,038,962	2,335,006	1,127,338	1,207,668	257,950	168,706	426,656
GILSUM	539,852	198,475	341,377	481,561	161,517	333,041	36,958	(8,336)	28,621
GOFFSTOWN	10,836,120	5,897,687	4,938,433	10,054,701	4,799,497	5,333,265	1,098,190	394,832	1,493,022
GORHAM	2,213,141	864,266	1,348,875	2,099,307	703,333	1,457,598	160,933	108,723	269,655
GOSHEN	670,408	236,067	434,341	607,758	192,110	434,109	43,957	(232)	43,726
GRAFTON	910,751	336,435	574,316	851,793	273,789	605,657	62,646	31,341	93,987
GRANTHAM	1,278,594	1,837,111	(558,517)	1,211,694	1,495,029	(283,335)	342,082	275,182	617,265
GREENFIELD	1,296,228	594,911	701,317	1,166,763	484,134	711,804	110,777	10,487	121,264
GREENLAND	2,116,392	2,481,341	(364,949)	2,047,828	2,019,299	28,529	462,042	393,478	855,521
GREEN'S GRANT		14,318	(14,318)		11,652	(11,652)	2,666	2,666	5,332
GREENVILLE	1,911,210	440,535	1,470,675	1,755,687	358,504	1,505,882	82,031	35,206	117,237
GROTON	458,057	182,641	275,416	426,830	148,632	279,634	34,009	4,218	38,227
HALES LOCATION	-	226,903	(226,903)	-	184,652	(184,652)	42,251	42,251	84,502
HAMPSTEAD	7,609,661	4,618,587	2,991,074	7,108,528	3,758,575	3,492,549	860,012	501,475	1,361,488
HAMPTON	9,203,439	12,454,364	(3,250,925)	8,769,531	10,135,276	(1,365,745)	2,319,088	1,885,180	4,204,269
HAMPTON FALLS	1,475,890	1,692,301	(216,411)	1,416,104	1,377,183	38,921	315,118	255,332	570,451
HANCOCK	1,327,767	998,352	329,415	1,223,776	812,452	411,324	185,900	81,909	267,808
HANOVER	4,849,848	7,245,116	(2,395,268)	4,700,172	5,896,026	(1,195,854)	1,349,090	1,199,414	2,548,504
HARRISVILLE	645,812	626,500	19,312	568,411	509,841	58,570	116,659	39,258	155,917
HART'S LOCATION	31,402	64,196	(32,794)	29,031	52,243	(23,212)	11,953	9,582	21,536
HAVERHILL	4,009,000	1,130,933	2,878,067	3,679,107	920,346	2,878,567	210,587	500	211,088
HEBRON	246,042	889,537	(643,495)	233,901	723,899	(489,998)	165,638	153,497	319,136
HENNIKER	3,775,390	1,539,029	2,236,361	3,612,513	1,252,451	2,485,127	286,578	248,765	535,343
HILL	785,037	321,947	463,090	750,057	261,998	494,730	59,949	31,640	91,589

CURRENT LAW vs HB 608

	CURRENT LAW			HB 608			DIFFERENCE		
FY 2005	Cost of	SWPT	Net	Cost of	SWPT	Net	SWPT Savings	Net Grant Increases	Total
City/Town	Adequacy	Raised	Grant	Adequacy	Raised	Grant	HB 608	HB 608	Economic
		@ 5.80			@ 4.72		vs Current	vs Current	Benefit
	968,356,454	602,665,649	365,690,805	907,161,901	490,445,158	431,717,012	112,220,491	66,026,206	178,246,697
HILLSBORO	5,209,108	1,697,529	3,511,579	4,648,060	1,381,437	3,365,426	316,092	(146,153)	169,938
HINSDALE	3,936,532	918,739	3,017,793	3,647,748	747,663	3,095,457	171,076	77,664	248,740
HOLDERNESS	1,580,381	2,103,130	(522,749)	1,466,682	1,711,512	(244,830)	391,618	277,919	669,536
HOLLIS	6,415,215	5,548,787	866,428	6,111,960	4,515,565	1,596,395	1,033,222	729,967	1,763,189
HOOKSETT	8,178,878	5,961,279	2,217,599	7,685,479	4,851,248	2,834,231	1,110,031	616,632	1,726,664
HOPKINTON	4,484,618	2,704,513	1,780,105	4,128,364	2,200,914	1,941,909	503,599	161,805	665,404
HUDSON	17,469,604	11,724,807	5,744,797	16,534,629	9,541,567	6,993,062	2,183,240	1,248,265	3,431,505
JACKSON	457,604	1,366,005	(908,401)	434,530	1,111,645	(677,115)	254,360	231,286	485,646
JAFFREY	4,165,994	1,932,878	2,233,116	3,919,253	1,572,963	2,422,781	359,915	189,665	549,579
JEFFERSON	865,175	410,250	454,925	807,898	333,859	474,039	76,391	19,114	95,506
KEENE	15,542,645	7,111,993	8,430,652	14,459,963	5,787,691	9,132,235	1,324,302	701,583	2,025,885
KENSINGTON	1,558,593	1,249,685	308,908	1,497,606	1,016,985	480,621	232,700	171,713	404,412
KINGSTON	4,696,962	2,909,610	1,787,352	4,365,984	2,367,820	2,025,951	541,790	238,599	780,388
LACONIA	12,957,589	6,916,105	6,041,484	12,215,909	5,628,278	6,643,166	1,287,827	601,682	1,889,509
LANCASTER	3,332,679	859,668	2,473,011	3,022,907	699,592	2,411,126	160,076	(61,884)	98,192
LANDAFF	246,110	132,830	113,280	220,256	108,096	112,160	24,734	(1,120)	23,615
LANGDON	451,151	205,059	246,092	421,421	166,876	263,787	38,183	17,695	55,878
LEBANON	8,200,827	6,504,049	1,696,778	7,700,670	5,292,951	2,407,719	1,211,098	710,941	1,922,040
LEE	4,301,074	1,891,556	2,409,518	4,080,891	1,539,335	2,719,024	352,221	309,506	661,727
LEMPSTER	788,491	279,946	508,545	743,798	227,818	536,707	52,128	28,162	80,290
LINCOLN	856,804	2,395,861	(1,539,057)	794,766	1,949,735	(1,154,969)	446,126	384,088	830,214
LISBON	1,624,945	404,493	1,220,452	1,545,135	329,174	1,270,808	75,319	50,356	125,676
LITCHFIELD	6,869,920	3,010,464	3,859,456	6,519,335	2,449,894	4,214,671	560,570	355,214	915,784
LITTLETON	5,218,826	1,943,145	3,275,681	4,908,900	1,581,318	3,408,019	361,827	132,338	494,165
LIVERMORE		323	(323)		263	(263)	60	60	119
LONDONDERRY	24,730,673	11,806,303	12,924,370	23,275,880	9,607,888	14,126,158	2,198,415	1,201,788	3,400,203
LOUDON	3,843,258	1,896,446	1,946,812	3,494,454	1,531,677	1,994,108	364,769	47,296	412,064
LYMAN	333,364	163,984	169,380	311,756	133,449	178,307	30,535	8,927	39,462

CURRENT LAW vs HB 608

		CURRENT LAW			HB 608			DIFFERENCE	
FY 2005	Cost of	SWPT	Net	Cost of	SWPT	Net	SWPT Savings	Net Grant Increases	Total
City/Town	Adequacy	Raised	Grant	Adequacy	Raised	Grant	HB 608	HB 608	Economic
		@ 5.80			@ 4.72		vs Current	vs Current	Benefit
	968,356,454	602,665,649	365,690,805	907,161,901	490,445,158	431,717,012	112,220,491	66,026,206	178,246,697
LYME	1,238,353	1,126,485	111,868	1,188,009	916,726	271,283	209,759	159,415	369,174
LYNDEBOROUGH	1,360,545	815,158	545,387	1,206,460	663,370	543,090	151,788	(2,297)	149,490
MADBURY	1,645,602	681,883	963,719	1,537,380	554,911	1,049,571	126,972	85,852	212,823
MADISON	1,752,485	1,386,479	366,006	1,644,562	1,128,307	516,255	258,172	150,249	408,420
MANCHESTER	78,447,886	35,445,093	43,002,793	73,812,202	28,844,972	47,014,453	6,600,121	4,011,660	10,611,781
MARLBOROUGH	1,634,513	614,533	1,019,980	1,543,449	500,102	1,085,543	114,431	65,562	179,993
MARLOW	599,434	231,047	368,387	557,615	188,024	380,435	43,023	12,048	55,070
MASON	821,559	622,292	199,267	742,487	506,417	236,070	115,875	36,803	152,679
MEREDITH	4,490,508	5,572,122	(1,081,614)	4,241,353	4,534,555	(293,202)	1,037,567	788,412	1,825,980
MERRIMACK	21,976,077	13,415,386	8,560,691	20,513,529	10,917,349	9,596,180	2,498,037	1,035,489	3,533,527
MIDDLETON	1,349,522	532,490	817,032	1,288,875	433,337	895,658	99,153	78,626	177,779
MILAN	1,260,311	354,675	905,636	1,217,321	288,632	970,235	66,043	64,599	130,642
MILFORD	10,818,445	5,863,604	4,954,841	10,250,570	4,771,761	5,715,710	1,091,843	760,869	1,852,713
MILLSFIELD	2,457	30,267	(27,810)	2,457	24,631	(22,174)	5,636	5,636	11,273
MILTON	3,763,612	1,254,322	2,509,290	3,500,654	1,020,759	2,582,007	233,563	72,718	306,281
MONROE	664,572	248,568	416,004	619,020	202,283	416,737	46,285	733	47,017
MONT VERNON	1,987,474	964,627	1,022,847	1,863,915	785,007	1,128,195	179,620	105,348	284,968
MOULTONBOROUGH	3,227,496	10,399,823	(7,172,327)	3,024,559	8,463,304	(5,438,745)	1,936,519	1,733,582	3,670,100
NASHUA	63,084,014	40,258,761	22,825,253	59,454,025	32,762,302	26,827,733	7,496,459	4,002,480	11,498,939
NELSON	560,006	344,083	215,923	485,306	280,012	206,794	64,071	(9,129)	54,943
NEW BOSTON	3,420,321	1,977,537	1,442,784	3,264,249	1,609,306	1,657,690	368,231	214,906	583,137
NEW CASTLE	451,137	2,535,682	(2,084,545)	429,283	2,063,520	(1,634,237)	472,162	450,308	922,469
NEW DURHAM	2,043,913	1,219,340	824,573	1,891,418	992,291	899,127	227,049	74,554	301,604
NEW HAMPTON	1,551,767	821,522	730,245	1,410,282	668,549	741,733	152,973	11,488	164,461
NEW IPSWICH	4,025,378	1,505,635	2,519,743	3,506,497	1,225,276	2,404,443	280,359	(115,300)	165,060
NEW LONDON	1,946,532	3,365,644	(1,419,112)	1,802,636	2,738,938	(936,302)	626,706	482,810	1,109,516
NEWBURY	1,493,432	2,028,847	(535,415)	1,384,001	1,651,062	(267,061)	377,785	268,354	646,140
NEWFIELDS	1,294,005	1,098,426	195,579	1,229,427	893,892	335,535	204,534	139,956	344,490

CURRENT LAW vs HB 608

	CURRENT LAW			HB 608			DIFFERENCE		
FY 2005	Cost of	SWPT	Net	Cost of	SWPT	Net	SWPT Savings	Net Grant Increases	Total
City/Town	Adequacy	Raised	Grant	Adequacy	Raised	Grant	HB 608	HB 608	Economic
		@ 5.80			@ 4.72		vs Current	vs Current	Benefit
	968,356,454	602,665,649	365,690,805	907,161,901	490,445,158	431,717,012	112,220,491	66,026,206	178,246,697
NEWINGTON	503,006	2,876,877	(2,373,871)	472,515	2,341,183	(1,868,668)	535,694	505,203	1,040,897
NEWMARKET	4,967,501	2,898,063	2,069,438	4,635,962	2,358,424	2,416,928	539,639	347,490	887,129
NEWPORT	6,313,658	1,589,176	4,724,482	5,917,358	1,293,260	4,857,968	295,916	133,486	429,401
NEWTON	3,710,072	1,826,305	1,883,767	3,439,665	1,486,234	2,030,346	340,071	146,579	486,649
NORTH HAMPTON	2,949,825	4,019,948	(1,070,123)	2,778,242	3,271,406	(493,164)	748,542	576,959	1,325,501
NORTHFIELD	4,026,161	1,170,686	2,855,475	3,776,912	952,696	2,991,161	217,990	135,685	353,675
NORTHUMBERLAND	2,536,470	525,911	2,010,559	2,356,786	427,983	2,023,518	97,928	12,959	110,887
NORTHWOOD	3,569,990	1,706,916	1,863,074	3,310,969	1,389,076	1,969,145	317,840	106,070	423,910
NOTTINGHAM	3,160,041	2,009,366	1,150,675	2,983,991	1,635,208	1,348,783	374,158	198,108	572,266
ODELL	-	10,070	(10,070)	-	8,195	(8,195)	1,875	1,875	3,751
ORANGE	235,578	101,463	134,115	223,416	82,570	149,838	18,893	15,723	34,615
ORFORD	732,047	462,109	269,938	681,840	376,061	305,779	86,048	35,841	121,890
OSSIPEE	3,779,718	2,010,403	1,769,315	3,503,405	1,636,052	1,922,846	374,351	153,530	527,881
PELHAM	8,731,229	6,028,549	2,702,680	8,117,006	4,905,992	3,211,014	1,122,557	508,334	1,630,892
PEMBROKE	5,390,635	2,242,285	3,148,350	5,133,235	1,824,756	3,465,790	417,529	317,439	734,968
PETERBOROUGH	4,853,098	2,739,392	2,113,706	4,510,819	2,229,298	2,358,665	510,094	244,959	755,053
PIERMONT	560,965	304,383	256,582	526,442	247,705	284,348	56,678	27,766	84,445
PINKHAM'S GRANT	-	18,712	(18,712)	-	15,228	(15,228)	3,484	3,484	6,969
PITTSBURG	580,055	777,902	(197,847)	541,861	633,052	(91,191)	144,850	106,656	251,507
PITTSFIELD	3,934,185	951,876	2,982,309	3,619,067	774,630	3,044,270	177,246	61,961	239,207
PLAINFIELD	1,611,282	982,180	629,102	1,573,094	799,292	773,802	182,888	144,700	327,589
PLAISTOW	5,970,345	4,395,282	1,575,063	5,636,574	3,576,850	2,059,724	818,432	484,661	1,303,093
PLYMOUTH	4,064,017	1,192,583	2,871,434	3,802,299	970,516	2,989,042	222,067	117,608	339,675
PORTSMOUTH	10,639,507	17,914,789	(7,075,282)	10,234,277	14,578,932	(4,344,655)	3,335,857	2,730,627	6,066,485
RANDOLPH	208,681	232,798	(24,117)	197,486	189,450	8,036	43,348	32,153	75,502
RAYMOND	8,809,590	3,515,710	5,293,880	8,198,500	2,861,061	5,586,023	654,649	292,143	946,793
RICHMOND	941,356	367,400	573,956	874,422	298,988	601,984	68,412	28,028	96,441
RINDGE	3,688,524	2,187,313	1,501,211	3,457,171	1,780,021	1,677,150	407,292	175,939	583,232

CURRENT LAW vs HB 608

	CURRENT LAW			HB 608			DIFFERENCE		
FY 2005	Cost of	SWPT	Net	Cost of	SWPT	Net	SWPT Savings	Net Grant Increases	Total
City/Town	Adequacy	Raised	Grant	Adequacy	Raised	Grant	HB 608	HB 608	Economic
		@ 5.80			@ 4.72		vs Current	vs Current	Benefit
	968,356,454	602,665,649	365,690,805	907,161,901	490,445,158	431,717,012	112,220,491	66,026,206	178,246,697
ROCHESTER	22,858,091	8,869,754	13,988,337	21,229,076	7,218,145	14,636,408	1,651,609	648,071	2,299,680
ROLLINSFORD	1,455,183	1,065,595	389,588	1,399,177	867,174	535,474	198,421	145,887	344,308
ROXBURY	178,978	99,002	79,976	166,724	80,567	86,157	18,435	6,181	24,616
RUMNEY	1,453,605	628,824	824,781	1,257,538	511,733	747,370	117,091	(77,411)	39,681
RYE	3,156,137	7,455,669	(4,299,532)	3,040,649	6,067,372	(3,026,723)	1,388,297	1,272,809	2,661,106
SALEM	19,524,007	18,980,306	543,701	18,455,999	15,446,042	3,009,957	3,534,264	2,466,256	6,000,520
SALISBURY	866,751	469,839	396,912	786,983	382,352	404,631	87,487	7,719	95,207
SANBORNTON	1,980,164	1,490,419	489,745	1,810,598	1,212,893	597,705	277,526	107,960	385,487
SANDOWN	4,982,642	2,112,844	2,869,798	4,613,145	1,719,418	3,007,294	393,426	137,496	530,922
SANDWICH	947,799	1,443,908	(496,109)	844,299	1,175,042	(330,743)	268,866	165,366	434,232
SARGENT'S PURCHASE		32,062	(32,062)		26,092	(26,092)	5,970	5,970	11,940
SEABROOK	5,886,082	4,914,987	971,095	5,506,480	3,999,783	1,506,697	915,204	535,602	1,450,806
SECOND COLLEGE GR.		10,034	(10,034)		8,166	(8,166)	1,868	1,868	3,737
SHARON	253,101	191,821	61,280	236,512	156,102	80,410	35,719	19,130	54,848
SHELBURNE	276,538	185,419	91,119	252,175	150,893	101,282	34,526	10,163	44,690
SOMERSWORTH	8,403,654	3,372,978	5,030,676	7,861,224	2,744,906	5,358,061	628,072	327,385	955,457
SOUTH HAMPTON	637,073	651,651	(14,578)	604,175	530,309	73,866	121,342	88,444	209,787
SPRINGFIELD	897,826	593,137	304,689	834,402	482,691	351,711	110,446	47,022	157,468
STARK	568,370	150,315	418,055	538,518	122,325	416,193	27,990	(1,862)	26,128
STEWARTSTOWN	759,535	235,540	523,995	687,297	191,681	498,609	43,859	(25,386)	18,473
STODDARD	516,515	737,967	(221,452)	479,915	600,552	(120,637)	137,415	100,815	238,229
STRAFFORD	3,550,830	1,733,906	1,816,924	3,363,842	1,411,041	2,018,574	322,865	201,650	524,515
STRATFORD	937,253	161,567	775,686	856,221	131,482	733,414	30,085	(42,272)	(12,187)
STRATHAM	5,688,347	4,946,257	742,090	5,436,699	4,025,230	1,411,469	921,027	669,379	1,590,406
SUCCESS	-	50,599	(50,599)	-	41,177	(41,177)	9,422	9,422	18,844
SUGAR HILL	323,697	521,470	(197,773)	300,255	424,369	(124,114)	97,101	73,659	170,760
SULLIVAN	484,463	155,837	328,626	440,757	126,819	326,898	29,018	(1,728)	27,290
SUNAPEE	2,381,649	3,400,666	(1,019,017)	2,285,043	2,767,439	(482,396)	633,227	536,621	1,169,848

CURRENT LAW vs HB 608

	CURRENT LAW			HB 608			DIFFERENCE		
FY 2005	Cost of	SWPT	Net	Cost of	SWPT	Net	SWPT Savings	Net Grant Increases	Total
City/Town	Adequacy	Raised	Grant	Adequacy	Raised	Grant	HB 608	HB 608	Economic
		@ 5.80			@ 4.72		vs Current	vs Current	Benefit
	968,356,454	602,665,649	365,690,805	907,161,901	490,445,158	431,717,012	112,220,491	66,026,206	178,246,697
SURRY	462,309	292,056	170,253	414,773	237,673	177,100	54,383	6,847	61,229
SUTTON	1,247,322	853,247	394,075	1,140,535	694,366	446,169	158,881	52,094	210,975
SWANZEY	6,056,805	2,094,445	3,962,360	5,591,839	1,704,445	4,120,105	390,000	157,745	547,745
TAMWORTH	1,967,471	1,060,891	906,580	1,782,744	863,346	940,683	197,545	34,103	231,648
TEMPLE	1,069,311	539,431	529,880	987,041	438,985	559,034	100,446	29,154	129,600
THOM. & MES. PURCH.		27,972	(27,972)		22,764	(22,764)	5,208	5,208	10,416
THORNTON	1,479,379	1,007,168	472,211	1,374,117	819,626	554,491	187,542	82,280	269,822
TILTON	2,954,867	1,780,843	1,174,024	2,751,250	1,449,238	1,302,012	331,605	127,988	459,594
TROY	1,927,495	516,195	1,411,300	1,768,536	420,076	1,431,872	96,119	20,572	116,690
TUFTONBORO	1,452,984	2,891,021	(1,438,037)	1,299,444	2,352,693	(1,053,249)	538,328	384,788	923,116
UNITY	885,060	373,384	511,676	829,985	303,857	544,452	69,527	32,776	102,303
WAKEFIELD	4,069,885	2,497,584	1,572,301	3,875,066	2,032,517	1,842,549	465,067	270,248	735,315
WALPOLE	2,839,022	1,568,488	1,270,534	2,646,647	1,276,425	1,403,997	292,063	133,463	425,526
WARNER	2,243,193	1,060,200	1,182,993	1,957,579	862,783	1,135,562	197,417	(47,432)	149,985
WARREN	847,669	199,047	648,622	799,210	161,983	669,912	37,064	21,290	58,354
WASHINGTON	639,819	652,800	(12,981)	590,978	531,244	59,734	121,556	72,715	194,271
WATERVILLE VALLEY	167,758	1,218,791	(1,051,033)	161,727	991,843	(830,116)	226,948	220,917	447,864
WEARE	7,832,730	2,879,352	4,953,378	7,376,821	2,343,197	5,296,216	536,155	342,838	878,993
WEBSTER	1,196,092	622,276	573,816	1,095,317	506,404	588,913	115,872	15,097	130,970
WENTWORTH	866,654	256,706	609,948	804,205	208,906	619,557	47,800	9,609	57,409
WENTWORTH LOC.	14,314	51,174	(36,860)	14,314	41,645	(27,331)	9,529	9,529	19,057
WESTMORELAND	1,284,782	603,645	681,137	1,186,369	491,242	713,358	112,403	32,221	144,625
WHITEFIELD	1,869,001	564,902	1,304,099	1,734,137	459,713	1,326,304	105,189	22,205	127,393
WILMOT	887,687	546,093	341,594	837,995	444,407	414,670	101,686	73,076	174,762
WILTON	2,546,777	1,653,087	893,690	2,271,935	1,345,271	926,664	307,816	32,974	340,790
WINCHESTER	4,218,388	938,281	3,280,107	3,866,716	763,567	3,269,797	174,714	(10,310)	164,405
WINDHAM	9,526,951	7,844,609	1,682,342	8,884,786	6,383,889	2,500,897	1,460,720	818,555	2,279,275
WINDSOR	113,390	90,861	22,529	110,347	73,942	36,405	16,919	13,876	30,796

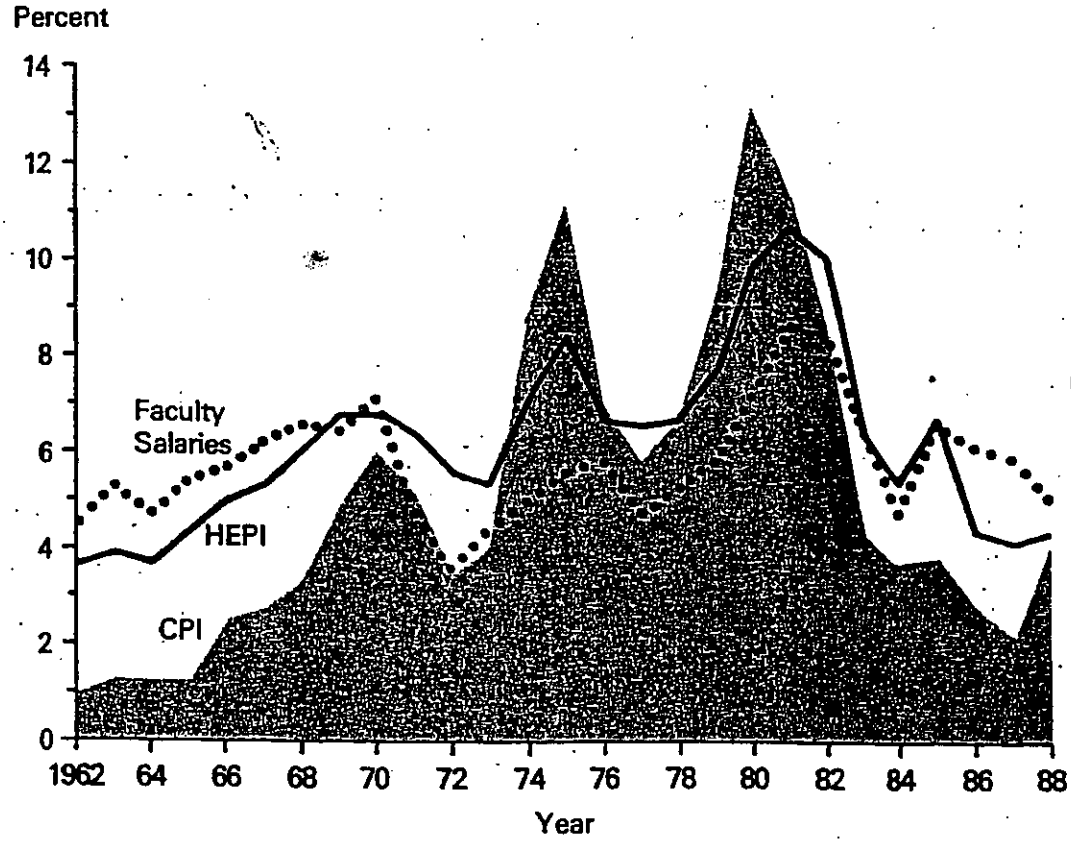
CURRENT LAW vs HB 608

		CURRENT LAW			HB 608			DIFFERENCE	
FY 2005	Cost of	SWPT	Net	Cost of	SWPT	Net	SWPT Savings	Net Grant Increases	Total
City/Town	Adequacy	Raised	Grant	Adequacy	Raised	Grant	HB 608	HB 608	Economic
		@ 5.80			@ 4.72		vs Current	vs Current	Benefit
	968,356,454	602,665,649	365,690,805	907,161,901	490,445,158	431,717,012	112,220,491	66,026,206	178,246,697
WOLFEBORO	4,455,718	5,564,486	(1,108,768)	4,134,117	4,528,340	(394,223)	1,036,146	714,545	1,750,691
WOODSTOCK	828,864	943,851	(114,987)	774,837	768,100	6,737	175,751	121,724	297,476
	968,356,454	602,665,649	365,690,805	907,161,901	490,445,158	431,717,012	112,220,491	66,026,206	178,246,697

(3)

INFLATION MEASURES for SCHOOLS COLLEGES & LIBRARIES

HB 608
FORMULA



2001 Update

RESEARCH ASSOCIATES of Washington

INFLATION MEASURES FOR SCHOOLS, COLLEGES, AND LIBRARIES:
2001 Update

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The publication price for academic institutions is $120 per copy which includes book rate shipping when prepaid. The prepayment price for *Inflation Measures* for regional and national organizations and commercial enterprises is $140. Add $10.00 for handling and $5.00 for shipping (per order) if payment is not enclosed with order. Data for the HEPI and R&DPI for fiscal years 1981-2001, and the ULPI and CLPI for fiscal years 1992 - 2001, are available on a 3½" HD disk (Excel software) priced at $40 prepaid. Data for the SPI and PLPI are also separately available on disk. Disks are sold only with purchase of the text.

Readers seeking counsel in using the indexes of this publication may contact Kent Halstead of Research Associates. Recommendations for improvements and additions to this publication are encouraged.

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Chapter 5

Elementary-Secondary School Price Index

This chapter describes the components and market basket composition of the Elementary-Secondary School Price Index (SPI). The SPI measures the effects of inflation on the current operations of elementary-secondary schools. It reports the relative price level schools pay for a fixed group of goods and services purchased for their daily operations. The SPI and its major components for fiscal years 1981 through 2001 are reported in Table 5.1, page 74, with greater detail in Tables 5.2-5.13. Summary historical data for fiscal years 1976 through 1980 are reported in Table 5-C, page 73.

The chapter begins with a review of the effects of inflation on school funding and teacher salaries.

Inflation and School Funding and Teacher Salaries

Trends in the real purchasing power or real investment of public school funding expenditures are reported in Table 5-A. Operating expenditures per average daily attendance are reported in current and constant 2001 dollars as adjusted by the School Price Index. Public classroom teacher salaries and instructional staff salaries are reported in current dollars and dollars of constant family purchasing power (Consumer Price Index adjusted). Elementary and secondary school salaries are reported separately.

School Price Index

The School Price Index (SPI) reported in Table 5.1, page 74, measures the average relative level in the prices of goods and services purchased by elementary-secondary schools for current expenses. These expenses include expenditures for administration, instruction, plant operation and maintenance, fixed charges, attendance and health services, transportation and food services. Capital outlay, debt service, and investment in equipment which are depreciated are not priced by the SPI.

This is the correct index to use

Table 5-A
Elementary-Secondary Education Public School Funding and Salary Inflation Record, FY 1975 to 2001

PUBLIC SCHOOL FUNDING

Fiscal year	School Price Index	Ave daily attendance (000)	Current expenditures — Amount (000,000)	Current expenditures — Per ADA — Current	Current expenditures — Per ADA — Constant 01 $
	(1)	(2)	(3)	(4)	(5)
1975.....	26.1	41,524	$56,661	$1,365	$5,225
1976.....	28.4	41,270	62,054	1,504	5,295
1977.....	30.2	40,832	66,864	1,638	5,426
1978.....	32.1	40,080	73,058	1,823	5,677
1979.....	34.9	39,076	78,951	2,020	5,783
1980.....	38.0	38,289	86,984	2,272	5,985
1981.....	42.6	37,704	94,321	2,502	5,877
1982.....	46.4	37,095	101,109	2,726	5,870
1983.....	49.6	36,661	108,268	2,953	5,960
1984.....	52.1	36,363	115,392	3,173	6,093
1985.....	55.6	36,404	126,337	3,470	6,247
1986.....	58.7	36,523	137,165	3,756	6,396
1987.....	61.1	36,864	146,365	3,970	6,498
1988.....	64.3	37,051	157,098	4,240	6,592
1989.....	67.5	37,268	173,099	4,645	6,877
1990.....	71.6	37,779	187,558	4,965	6,933
1991.....	75.5	38,427	202,038	5,258	6,967
1992.....	78.5	38,961	211,221	5,421	6,902
1993.....	80.4	39,570	220,948	5,584	6,947
1994.....	82.6	40,146	231,542	5,767	6,965
1995.....	84.7	40,721	243,677	5,989	7,072
1996.....	88.0	41,502	255,107	6,147	6,988
1997.....	90.2	42,262	270,174	6,393	7,088
1998.....	91.6	42,855	285,490	6,662	7,271
1999.....	93.9	43,540	298,212	6,849	7,294
2000.....	96.2	44,237	307,929	6,961	7,233
2001.....	100.0	44,945	329,250	7,326	7,326

Research Associates' estimates in italics.
Sources: SPI, Research Associates of Washington.
ADA and school finances, National Center for Education Statistics, U.S. Department of Education.

Table 5-A (continued)

PUBLIC SCHOOL SALARIES

Fiscal year	Consumer Price Index	Public classroom teacher salaries — All public schools		Elementary schools		Secondary schools		Public instructional staff*	
		Current	Constant 01 $	Current	Constant 01 $	Current	Constant 01 $	Current	Constant 2001 $
	(6)	(7)		(8)		(9)		(10)	
1975.....	29.6	$11,641	$39,288	$11,334	$38,252	$12,000	$40,500	$12,167	$41,064
1976.....	31.7	12,600	39,740	12,280	38,731	12,937	40,803	13,124	41,393
1977.....	33.6	13,354	39,794	12,989	38,706	13,776	41,052	13,840	41,242
1978.....	35.8	14,198	39,656	13,845	38,671	14,602	40,785	14,698	41,053
1979.....	39.1	15,032	38,487	14,681	37,588	15,450	39,557	15,764	40,361
1980.....	44.4	15,970	35,978	15,569	35,075	16,459	37,080	16,715	37,656
1981.....	49.5	17,644	35,648	17,230	34,812	18,142	36,654	18,404	37,184
1982.....	53.8	19,274	35,852	18,853	35,069	19,805	36,840	20,327	37,811
1983.....	56.1	20,695	36,878	20,227	36,045	21,291	37,941	21,641	38,564
1984.....	58.2	21,935	37,694	21,487	36,924	22,554	38,757	23,005	39,532
1985.....	60.4	23,600	39,048	23,200	38,387	24,187	40,020	24,666	40,812
1986.....	62.2	25,188	40,510	24,718	39,754	25,846	41,568	26,362	42,398
1987.....	63.6	26,569	41,788	26,057	40,983	27,244	42,850	27,706	43,576
1988.....	66.2	28,034	42,336	27,519	41,558	28,798	43,490	29,219	44,126
1989.....	69.3	29,564	42,658	29,022	41,876	30,218	43,602	30,850	44,514
1990.....	72.6	31,367	43,196	30,832	42,460	32,049	44,135	32,638	44,947
1991.....	76.5	33,085	43,224	32,491	42,448	33,896	44,283	34,401	44,943
1992.....	79.0	34,063	43,111	33,479	42,372	34,827	44,078	35,556	45,001
1993.....	81.5	35,029	42,990	34,350	42,157	35,880	44,035	36,460	44,746
1994.....	83.5	35,737	42,798	35,233	42,194	36,566	43,791	37,446	44,845
1995.....	86.0	36,685	42,671	36,161	42,062	37,464	43,578	38,339	44,595
1996.....	88.3	37,704	42,686	37,276	42,202	38,372	43,443	39,483	44,701
1997.....	90.9	38,536	42,416	38,178	42,022	39,149	43,090	40,435	44,506
1998.....	92.5	39,454	42,662	39,144	42,327	40,019	43,273	41,272	44,628
1999.....	94.1	40,582	43,149	40,293	42,841	41,155	43,758	42,459	45,144
2000.....	96.8	*41,880*	43,264	*41,475*	42,845	*42,325*	43,724	*43,680*	45,123
2001.....	100.0	*43,220*	43,220	*42,690*	42,690	*43,525*	43,525	*44,940*	44,940

Research Associates' estimates in italics.

* Includes supervisors, principals, classroom teachers, and other instructional staff.

Sources: CPI, Bureau of Labor Statistics, U.S. Department of Labor.
Salaries, National Center for Education Statistics, U.S. Department of Education.

The SPI is based on the prices (or salaries) of teachers, principals, and other professional personnel, nonprofessional salaries and wages, fringe benefits, supplies and materials, small equipment items and their replacement, library materials and textbooks, utilities, and fixed costs. Indexes for the prices of these components and subcomponent detail are presented in Tables 5.1 through 5.13. The 100 plus items separately priced in these categories represent all the items purchased for current operations by elementary-secondary schools. Prices are primarily obtained from salary surveys conducted by the Educational Research Service, Inc. and the U.S. Bureau of Labor Statistics; and from price series for components of the Consumer Price Index (CPI) and the Producer Price Index (PPI) published by the Bureau of Labor Statistics, U.S. Department of Labor. The details for these components are discussed at the end of this SPI section.

In measuring *national average* prices, the index reflects the purchase of available state-of-the-art services and typical quality goods normally employed by elementary-secondary schools. It follows that any district or school departure from these average price levels represents the purchase of superior or inferior items insofar as quality is dictated by price and can be referenced to an average price level. What this means is that a single national price index, such as the SPI, has the distinct advantage of consistently reporting prices for *average*, and hence fixed, quality items. In contrast, specialized indexes for a particular set of schools or geographical region, will report any increase, for example, in locally paid salaries to improve staff quality as an inflationary price increase when, in reality, it is an increase in real investment.

The weights assigned the items priced represent their relative importance in the current fund expenses budget, as of 1982-83 (Table 5-B, pages 62-63). The 1983 weights represent the same physical count of items as the original 1973-74 and 1975-76 average weights used for index compilation. The 1974-76 weights were determined from detailed national empirical budget data collected by the National Center for Education Statistics, U.S. Dept. of Education. No subsequent data by object classification has been collected. However, the index now includes the addition of electronic data personnel. Thus the SPI remains fix-weighted on the basis of the 1974-76 budget percentage on the assumption that the physical count mix has remained materially the same, e.g., the number of classroom teachers employed relative to cubic feet of heating gas purchased has remained in essentially the same proportion.

It is important to clarify that the 1974-76 budget percentages, as proxies for the physical quantities involved, must be held constant until there is a change in the purchaser's *material* buying pattern.[1] The switch to 1982-83 weights is solely due to the adoption of 1983 as the base year (all prices for 1983 equal 100) by the U.S. Bureau of Labor Statistics. The FY 1983 weights used in computing the SPI have been established by multiplying each

[1] A change in budget percentage mix over time generally reflects the varying price differentials involved, not a change in physical count proportions. Thus the larger budget share for utilities in the late 1970s was due to the doubling of oil prices rather than to schools buying more oil relative to the quantities of other commodities purchased. Price index weights are changed only when the physical mix of items purchased changes, not their prices.

component by its respective 1974-76 price change. Both budgets represent essentially the *same* physical count mix of items.

Variance in the budgets of individual school districts from these national averages slightly reduces the applicability of the SPI to any given jurisdictional situation. Modest differences in the weights attached to expenditure categories have little effect on overall index values. This is because the SPI is dominated by the trend in teacher salaries and similar salary trends for other personnel which absorbs or diminishes the effects of price changes in other items purchased in smaller quantities.

Remember These Characteristics. The SPI has four critical dimensions which should always be kept in mind: (1) the index measures general inflation affecting *all* school districts in the United States, not the specifics for any individual school, (2) in measuring *average* prices the SPI reflects the quality of typically employed commodities; any jurisdiction's departure in real expenditures from these averages represents a quality differential, (3) the SPI measures price change for a *fixed* market basket of goods and services so it does not account for the budgetary needs of schools to *buy more and better items* to meet pupil enrollment expansion or quality improvement, and (4) the original budget weights are absolutely correct for current index compilation so long as the proportions of the physical count of items remains the same (e.g., number of teachers versus custodians is relatively fixed).

SPI by Individual School Jurisdiction. The utility of designing separate price indexes for the elementary and secondary levels and public and private sectors has been raised. The argument makes most sense in terms of the distinctive budgets involved. No doubt there are differences between the two levels, sectors, and certainly among individual school districts in the emphasis given various functions. The degree to which these functional differences result in the purchase of different proportions of goods and services is less evident. And this budget detail is not known since few school districts maintain records of expenditures by object classification (specific item or service). In the unlikely event that national data of this nature are collected, specialized indexes could be developed. In the interim, Research Associates believes that school districts so inclined may be well served by compiling their own tailored price index, employing national prices and the school district's distinctive budget pattern. As will be explained, local prices should *not* be used since they incorporate any additional price paid to purchase better quality. The procedure for tailoring the SPI to local school district budgets is outlined in the next subsection.

Less persuasive than the need for specialized weights is the argument that individualized price series are required for various jurisdictions. Teachers and administrators and some contracted services (e.g., communications and postage) and name-brand commodities are, to some extent, priced in a national market. Even when the absolute level of local prices and salaries differ, their trends may be similar. The fact that small public school districts in one part of the country pay their teachers substantially less than the salary level at large private schools in another area does not mean that the trend in their respective salaries is all that different. But the strongest argument against employing differential price series was alluded to earlier—it would conceal quality differences.

Table 5-B
Budget Composition of Elementary-Secondary Schools, by Object Category
Percent Distribution of Current Expenses, FY 1982-83

Category	Percent Budget Distribution		
Personnel compensation			79.2%
S1.0 PROFESSIONAL SALARIES		67.6	
S 1.1 Superintendents and other administrative and professional staff	3.1		
S1.2 Principals	5.4		
S1.3 Supervisors of instruction	1.9		
S1.4 Classroom teachers	83.1		
S1.5 Librarians	1.8		
S1.6 Guidance counselors, psychology, and attendance personnel	3.9		
S1.7 Health personnel	0.8		
	100.0		
S2.0 NONPROFESSIONAL WAGES AND SALARIES		15.5	
S2.1 Teacher aides and paraprofessionals	11.5		
S2.2 Secretarial and clerical personnel	26.7		
S2.3 Custodians	29.8		
S2.4 Maintenance and trade personnel	10.2		
S2.5 Food service personnel	11.1		
S2.6 Bus drivers	10.7		
	100.0		
S3.0 FRINGE BENEFITS		16.9	
		100.0	
Contracted services, supplies, and equipment			20.8%
S4.0 SERVICES		24.5	
S4.1 Plant operation and maintenance	18.2		
S4.2 Travel	6.8		
S4.3 Printing and duplication	9.4		
S4.4 Communication	14.9		
S4.5 Contracted student transportation	32.5		
S4.6 Data processing	8.2		
S4.7 Consultants	5.8		
S4.8 Teacher education	4.2		
	100.0		
		TOTAL	100.0%

FY 1983 budget distribution was derived equal to the product of the price change from FY 1975 to FY 1983 multiplied by the original FY 1975 budget proportion for each category. The FY 1983 budget represents the same physical quantity mix as the 1975 budget.

Table 5-B (continued)

Category	Percent Budget Distribution	
S5.0 SUPPLIES AND MATERIALS		30.2
S5.1 Instructional	23.6	
S5.2 Administrative and secretarial	18.4	
S5.3 Plant operation	8.1	
S5.4 Student transportation	13.2	
S5.5 Health	1.4	
S5.6 Food	21.3	
S5.7 Food service	6.1	
S5.8 Plant maintenance	7.9	
	100.0	
S6.0 EQUIPMENT REPLACEMENT		3.2
S6.1 Replacement of student transportation vehicles	41.7	
S6.2 Replacement of plant equipment	58.3	
	100.0	
S7.0 LIBRARY MATERIALS AND TEXTBOOKS		5.7
S7.1 Library material	42.2	
S7.2 Free textbooks to students	57.8	
	100.0	
S8.0 UTILITIES		18.9
S8.1 Fuel oil	59.3	
S8.2 Electrical power	30.1	
S8.3 Natural gas	4.2	
S8.4 Water and sewerage	3.8	
S8.5 Trash collection	2.6	
	100.0	
S9.0 FIXED COSTS		17.5
S9.1 Insurance	72.0	100.0
S9.2 Rents	5.0	
S9.3 Other	23.0	
	100.0	

Thus if teacher salaries at private schools were increased faster than at their public counterparts, this effort to improve quality would not be evident in a specialized private school price index. Such an index would incorporate the higher price trend as an inherent inflation component, when in actuality the differential in price trends between the private schools involved and the national average should be excluded as a quality factor. A single national average price index, on the other hand, excludes this difference, providing clear evidence of the greater real resources being employed in this instance.

Compilation of a Jurisdictionally Tailored School Price Index. School districts exhibit a wide range of operating conditions as a result of differences in the socio-economic status of their students, funding resources, physical plant, and climate. Extremes are illustrated by small elite private elementary schools, gigantic inner-city public senior high schools, consolidated rural schools, etc. This range in characteristics is duplicated in operations and manifests itself in a range of budget patterns of some consequence to the applicability of any average patterned index.

In compiling a district SPI, primary attention should be given to substituting district weights for the nine major subcomponents of the index. Finer division is possible but generally of lesser importance. One exception is the utility (8.0) category. The national utility subindex is a composite including both natural gas and oil which are seldom used in combination for heating. A school district should reweight the utilities index to reflect its own use of these fuel alternatives.

We report here a procedure by which the individual school district may compile its own school price index if its budget composition seriously deviates from the national averages used for the SPI. The procedure involves using the SPI's existing price series and substituting the subject jurisdiction's budget composition for the national weights employed. A diskette of the SPI prices, weights, and formulas (Tables 5.1-5.13) may be purchased from Research Associates to facilitate the compilation, but the work can be performed by entering these data on any spreadsheet. Three steps are involved:

(1) Determine the jurisdiction's 1982-83 operating budget composition for the nine categories shown in Table 5-B. The percentages must add to 100.0. Further detailed breakdown within these categories may also be made if desired.

(2) Substitute the tailored budget for the national weightings (specified in the footnotes) in Table 5.1.

(3) Recalculate the index. Do not alter any price series. Note, all 1982-83 computed indexes should equal 100.0.

If 1982-83 budget detail are not available, a later year's budget composition may be projected backward using the respective year's price ratios. This projection requires illustration. In the text table below, the subject district's FY 1990 budget mix estimate is shown in column 1. This composition must be converted to its FY 1983 equivalent based on the changes in prices which have occurred during the FY 1983 to 1990 time span for each component. The FY 1990 price indexes are reported in column 2. The FY 1983 index values are 100.0 since this is the base year. The seven-year change ratio, FY83/FY90, is reported in column 3. Multiplying this ratio by the FY90 budget percentages equals the FY83

equivalents in column 4 which must, in turn, be converted to equal a 100 percent total (column 5). The column 5 budget mix may then be used by the district as Table 5.1 weights. The SPI price series in Table 5.1 must *not* be changed during the compilation, only their weighting.

School district budget component	FY 90 district budget	FY 90 price indexes	FY83/FY90 price ratio	— FY 83 School Budget — unadjusted	adjusted to total = 100%
	(1)	(2)	100 / (2) (3)	(3) x (1) (4)	(5)
1.0 Prof salaries	55.0%	150.1	0.666	36.64%	52.13%
2.0 Non-prof wages	8.0%	140.1	0.714	5.71%	8.12%
3.0 Fringe benefits	12.0%	178.7	0.560	6.72%	9.55%
4.0 Services	4.0%	136.8	0.731	2.92%	4.16%
5.0 Supplies & materials	6.0%	123.0	0.813	4.88%	6.94%
6.0 Equipment replacement	2.0%	120.8	0.828	1.66%	2.36%
7.0 Library mat'l & textbooks	3.0%	159.7	0.626	1.88%	2.67%
8.0 Utilities	6.0%	84.8	1.179	7.08%	10.07%
9.0 Fixed costs	4.0%	142.3	0.703	2.81%	4.00%
Totals	100.00%			70.29%	100.00%

FY 1983 prices = 100.0

SPI Components

The items priced by the SPI include the most important services and goods purchased by elementary-secondary schools for current operations, and a sample of the less important ones. In combination, they represent all items purchased. This section describes the items priced for the index and data sources. It should be kept in mind that the essential objective in pricing is to maintain constant quality in the item being observed or exclude those differences in price attributable to changes in product service or quality.

PERSONNEL COMPENSATION

S1.0 Professional salaries

Subindexes for salaries of the various professional personnel categories are shown in Tables 5.2, 5.3, and 5.4. The weights are based on national data collected by NCES as reported in Table 5-C. Within the subcategories the budget proportions are derived by combined salary data and numbers of personnel employed. The school professional salary data are from *Salaries and Wages for Professional and Support Personnel in Public Schools, 2000-2001*, published annually by Educational Research Service, Inc.

S1.1 Superintendents and other administrative and professional staff. The detail of this index is reported in Table 5.3. This subindex consists of the weighted average of salaries for superintendents, for deputy/associate superintendents, for assistant superintendents, and

for the directors, managers, coordinators, and supervisors for finance and business, public relations/information, instructional services, staff personnel services, and electronic data processing (earnings of computer systems analysts and operations researchers, *Current Population Survey,* BLS).

No data are available on the salaries paid to professional electronic data processing personnel by elementary-secondary schools. As a proxy, a weighted average of median weekly earnings of (1) computer systems analysts and scientists, and (2) operations and systems researchers and analysts is employed (*Current Population Survey,* BLS). Prior to 1983 a fixed-weight composite average weekly salary was calculated for 20 EDP job classifications reported in the periodical, *Datamation.*

S1.2 Principals. Detailed information on the subindex for principals is reported in Table 5.4. The subindex consists of the weighted average of salaries for principals and assistant principals for elementary schools, junior high/middle schools, and senior high schools.

S1.3 Supervisors of instruction; S1.4 Classroom teachers; S1.5 Librarians; S1.6 Guidance counselors, psychology, and attendance personnel; and S1.7 Health personnel. The salary indexes for these subcomponents are reported in Table 5.2. Indexes are reported for the following ERS position categories: subject area supervisors, classroom teachers, librarians, counselors, and school nurses.

S2.0 Nonprofessional wages and salaries

Subindexes for salaries of the various nonprofessional personnel categories are shown in Table 5.5. The weights are based on national data collected by NCES as reported in Table 5-B. Salary data for all nonprofessional wages and salaries (except for category S2.4, maintenance and trade personnel) are from *Salaries and Wages for Professional and Support Personnel in Public Schools, 2000-2001*, published annually by ERS. The weights assigned various positions *within* the subcategories are estimated budget proportions derived from ERS data on the total number of persons employed in each type of nonprofessional position and their respective salaries.

S2.1 Teacher aides and paraprofessionals. The subindexes for instructional and non-instructional teacher aides and paraprofessionals are reported in Table 5.6.

S2.2 Secretaries and clerical personnel. The subindexes for the various types of secretaries and clerical personnel at the central office and at the school building level are reported in Table 5.6.

S2.3 Custodians; S2.5 Food service personnel; and S2.6 Bus drivers. The indexes for these subcomponents are reported in Table 5.5. The salary data are for the following ERS position categories, respectively: custodians (not engineers), cafeteria workers (not supervisors), and school bus drivers.

S2.4 Maintenance and trade personnel. For this category, the Bureau of Labor Statistics' (BLS) Employment Cost Index (ECI) for precision production, craft, and repair

occupations has been used. Prior to 1987 this category was priced by the ECI series for craft and kindred workers; before 1977 by a fixed weight composite of average weekly earnings for eight skilled maintenance and toolroom occupations collected by the BLS, *Area Wage Survey*. The index values are reported in Table 5.5.

S3.0 Fringe benefits

Fringe benefits consist of expenditures by schools for various services to employees. The principal benefits and their usual order of importance are: retirement contributions, social security, health insurance, life insurance, employment compensation, workmen's compensation, and income continuation insurance. Usually, vacation and sick leave are also considered to be fringe benefits, but because they do not involve a dollar outlay they are not part of the fringe benefit expenditure package reported here.

In the context of a price index, fringe benefits are regarded as a package pre-investment of earnings that, together with salary, constitute the total across-the-board compensation schools must pay to attract and hold competent staff. Thus, the price series for fringe benefits does *not* price a fixed package of benefits whose form and quality are kept constant. Rather, the price series represents, as it does for salaries, the benefits that schools must give teachers and staff to remain competitive in the labor market.

No single organization currently collects data on the total dollar value of fringe benefits. The Educational Research Service, in its *National Survey of Fringe Benefits in Public Schools*, presents detailed descriptive information on the types of benefits received by superintendents, administrators, and teachers. The Assembly of Governmental Employees reports similar information in *A Study of State Government Employee Benefits*. In both instances, the information is mostly descriptive–the numbers of schools providing various types of benefits and, in some instances, an associated dollar value or the percentage of salary involved. In the absence of complete data on the dollar value of fringe benefits for elementary-secondary school personnel, the Employment Cost Index (ECI) for fringe benefits paid *all* state and local government employees is used. Prior to 1983 fringe benefits are priced based on the relationship of fringe benefits to faculty salaries in public colleges and universities.[2] The fringe benefit index is reported in Table 5.1.

CONTRACTED SERVICES, SUPPLIES, AND EQUIPMENT

Contracted services, supplies, and equipment constitute 20.8 percent of the current expenses budget of schools during the base year 1982-83. The division of these expenditures, shown in Table 5-B, is as follows: services, 24.5 percent; supplies and materials, 30.2 percent; equipment replacement, 3.2 percent; library materials and textbooks, 5.7 percent; utilities, 18.9 percent; and fixed costs, 17.5 percent.

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[2] Faculty fringe benefits at public colleges and universities have grown relatively consistently with faculty salaries. In recent years the dollar value of faculty fringe benefits compared to faculty salaries has gradually grown from 14.3 percent in 1975 to 19.6 percent in 1983. Drawing a smooth curve for this ratio establishes a trend that is assumed to be characteristic for the changing fringe/salary ratio for state and local government employees in general and for public school teachers in particular. These smooth curve ratios are applied to classroom teacher salaries to derive estimated teacher fringe benefits through 1983. However, we believe this proxy series is *overstated* for school personnel.

The services, supplies, and equipment used by elementary-secondary schools are produced and sold by a range of industries. Some purchases are of relatively commonplace items (office supplies and equipment, postage, telephone, utilities, and transportation) typical of the operation of many organizations and commercial businesses. Other purchases involve specialized items necessary for instruction such as scientific instruments and measuring devices, chemicals, laboratory glassware, sports equipment, and books and periodicals. Because of the number, diversity, and specialty of these items, any grouping of similar commodities for pricing purposes necessarily involves approximate weightings and representative pricing.

S4.0 Contracted services

The price indexes for contracted services are presented in Table 5.7. Contracted services are organized into eight subcomponents: plant operation and maintenance, travel, printing and duplication, communications, contracted student transportation, data processing, consultants, and teacher education.

S4.1 Plant operation and maintenance. Contracted services for plant operation and maintenance usually encompass cleaning, snow removal, road and grounds maintenance, and other work often requiring special equipment not normally owned by school systems. These services involve workers performing a variety of duties at a semi-skilled level. The price series used is wages for private sector laborers from BLS Employment Cost Index data. This category includes materials handlers, equipment cleaners, helpers, and laborers.

S4.2 Travel. The price series for travel is based on the travel reimbursement allowance provided state employees for use of a private vehicle on state business. Initially, travel reimbursement mileage rates were provided by the Assembly of Governmental Employees. Beginning in 1986, the IRS allowance for individual business travel (as reported by Runzheimer, Inc.) is employed.

Travel by other means to out-of-district conferences and similar functions is estimated at 10 percent of the travel budget based on a survey of local schools. This component is priced by the CPI price series for public transportation that represents fares for local transit, taxicab, railroad (coach), airplane (chiefly coach), and inter-city bus.

S4.3 Printing and duplication. Printing and duplication activities at elementary-secondary schools vary from school to school, and no national average budget data are available for this activity. Large-scale jobs and formal work such as graduation programs are usually contracted with outside printers. In-house copying and duplicating by ditto, mimeograph, offset, and xerographics are generally performed by the school staff as part of their normal duties. The equipment is usually owned by the school. Priced here is the smaller share of equipment *rented* by schools. The rates used are those of the Xerox Corporation based on a one year lease to state and local government agencies. Most dry-copy equipment now are contracted by schools on a lease basis with an option to buy. This arrangement is tantamount to a capital investment, hence the equipment rental series has been discontinued as of 1999. Associated costs for salaries and power usually cannot be isolated and generally are not included in school printing and duplicating budgets.

Based on a limited telephone survey of local school systems, the printing and duplication budget is estimated as follows: outside contracted printing services, 37.7 percent; in-house printing, 62.3 percent (1973 estimates converted to 1983). Based on a 1973 survey by the Printing Industry of America, paper and worker payroll for contracted printing are in the ratio of two to three. Paper is estimated to be 38.8 percent of the in-house printing costs and the remaining 61.2 percent is for dry-copy equipment rental. Machines for large duplicating jobs account for about 85 percent of equipment rental, with the remaining 15 percent for smaller machines used for limited copying. The price series index details for printing and duplication are presented in Table 5.8.

S4.4 Communications. This subindex is a fixed weight average of the Bureau of Labor Statistics' Consumer Price Index series for residential telephone service and postal charges. The weights for 1982-83 (based on a survey of school districts and the 1972-73 Consumer Expenditure Survey) are 80.2 percent for telephone service, 19.8 percent for postal.

S4.5 Contracted student transportation. Some schools contract with private firms to transport pupils to and from school at public expense, and there is no price series for the unit cost of this contracted service. As a proxy, the Consumer Price Index price series for inter-city bus fare is used to represent the nationwide average cost to the consumer of urban bus transportation. Although the CPI bus fare price series does not include a profit component as would the fare price of private businesses, the weight attached to profit is probably small compared to the larger budget proportions spent on driver salaries, vehicle operation and maintenance, and vehicle purchase. The prices for these more important components should be similar in the private sector to those incurred by city transit authorities and reported in the CPI bus fare.

S4.6 Data processing. Most data processing at elementary-secondary schools is performed in-house with staff personnel using micro-computers. The salaries for these staff are priced as part of subcomponent S1.1, superintendents and other administrative and professional staff (see Table 5.3). Any contracted data processing is primarily for repeat requirements such as payroll and student grade reports.

The costs associated with data processing services generally recognized within the industry are as follows: salaries, 50 percent; equipment maintenance, depreciation, and operation, 25 percent; and overhead, 25 percent. According to one industry spokesperson, customer charges are set roughly equal to 2 1/2 times salaries, with resulting sales revenues equaling one part for labor; one part for benefits, support, and overhead; and one-half part for profit.

Whether based on costs or on the 2 1/2 times formula, customer charges depend primarily on employee salaries. Some advances in computer technology may be passed on to the customer in the form of lower rates for a fixed job, but this is difficult to determine. If rates were reduced owing to more efficient operations, the overall workload would have to be increased to maintain profits. And firms evidently do not make assumptions regarding the impact of computer hardware capacity and workload on price.

Although salaries appear to be the dominant factor in establishing customer charges, the exclusive use here of salaries for pricing contracted computer services should be recognized as a simplification. However, pricing the industry's operations for a fixed data processing job

is well beyond the scope or requirements of this price index compilation. The salaries used for contracted data processing personnel are a weighted average of median weekly earnings for (1) computer systems analysts and scientists, (2) operations and systems researchers and analysts, (3) computer programmers, and (4) computer equipment operators (*Current Population Survey,* BLS*)*. Prior to 1995 salaries for 20 EDP job classifications reported by *Datamation* were used. The jobs included managers and supervisors, computer systems analysts, programmers, computer operators, and keypunch and tape operators.

S4.7 Consultants. Elementary-secondary schools hire consultants to provide professional/technical advice and assistance. Schools most frequently seek outside services in legal matters and in matters of management and personnel administration. Salary data for consultants as a specialized field are not available. As a proxy, a composite index of salaries for attorneys, directors of personnel, and accountants is used based on the Bureau of Labor Statistics' Employment Cost Index data.

S4.8 Teacher education. This subindex is based on the Consumer Price Index series for college tuition. The CPI series represents college tuition and recurring fees (e.g., health fees) with fixed weight proportions given to resident and nonresident status, public and private sector, graduate and undergraduate level, part- and full-time attendance, and type of institution.

S5.0 Supplies and materials

A supply item is any article or material that meets any one or more of the following conditions: (1) it is consumed in use; (2) it loses its original shape or appearance with use; (3) it is expendable, that is, when worn out, it is replaced rather than repaired; (4) it is inexpensive and therefore need not be capitalized; and (5) it loses its identity through incorporation into a different or more complex unit or substance.

Supplies and materials purchased by elementary-secondary schools for current operations are organized into eight broad functional categories: instructional, administrative and secretarial, plant operation, student transportation, health, food, food services, and plant maintenance. The price series are reported in Table 5.9. The supply and material categories are weighted according to the national budget for elementary-secondary schools for 1974-75 (converted to 1982-83) as shown in the table footnote. Within the categories, the objects are weighted according to their assigned market basket proportions used by BLS in compiling the Producer Price Index or Consumer Price Index. Items have been priced using price series from the PPI when possible. In some instances, the CPI price series has been used when it is more relevant to or provides more comprehensive coverage of the category involved than does the PPI.

S6.0 Equipment replacement

Equipment consists of instruments, machines, apparatus, and sets of articles that retain their original shape and appearance with use and are nonexpendable; that is, if they are damaged, it is usually more feasible to repair the article than to replace it with an entirely new unit. Further, equipment usually represents an investment of money that makes it feasible

and advisable to capitalize the item. Expenditures for equipment so defined are part of a school's capital outlay or plant fund budget; however, *replacement* of equipment is considered a "current operations" expenditure.

The equipment replacement category is organized into two components— replacement of student transportation vehicles and replacement of plant equipment. The price series is presented in Table 5.10.

S6.1 Replacement of student transportation vehicles. The primary vehicles for student transportation are buses. The initial price series used was the Producer Price Index component #141103, motor coaches. For many years fewer than three firms reported motor coach prices to the Bureau of Labor Statistics which created a confidentiality problem and resulted in intermittent reporting of this price series. This necessitated substituting the price series for heavy trucks, #141106.

S6.2 Replacement of plant equipment. Plant equipment consists of major items of permanent equipment usually integrated into a structure and built-in during initial construction, such as the heating and cooling system, plumbing, electrical system, and elevators and escalators. For schools, the plant equipment priced consists of the following Producer Price Index components: heating equipment #106, central air conditioning #1148-01, unitary air conditioning #1148-02, commercial furniture #122, and vitreous china fixtures #1052. Although not permanent equipment, unitary air conditioners are used at some schools in place of central air conditioning and so are included on that basis. The price series for equipment replacement is reported in Table 5.10.

S7.0 Library materials and textbooks

This index and its components, presented in Tables 5.11 and 5.12, are a fixed weight average of the price series for library materials (42.2 percent) and free or marginally paid for textbooks to students (57.8 percent). Considerable price data are available for the types of purchases made by school libraries. This amount of detail, while not necessary for the accuracy of the overall School Price Index, is particularly useful for librarians in analyzing the effects of inflation on past and future acquisition budgets. In many instances, calendar year prices are reported here for the following fiscal year.

The sources of the various S7.0 library materials and textbooks index are as follows:

S7.1 Library Materials Index.

S7.1a U.S. Book Index Hardcover, trade, and mass market–average selling price to school libraries, Baker & Taylor Books. Before 1990, U.S. hardcover books and mass market paperback books, Sue Plezia, Univ of Calif., *Bowker Annual.*

S7.1b U.S. Periodical Index Elementary and Secondary–U.S. periodicals ("children's" and "general interest" categories respectively), Adrian W. Alexander and Kathryn Hammell Carpenter, *Bowker Annual.*

S7.1c Microforms Producer Price Index for microforms. Prior to 1992 Imre Jarmy, U.S. Library of Congress.

S7.1d Audiovisual Materials Index Video VHS cassettes (cost per minute), and prerecorded audio cassette tape – Dana L. Alessi, Baker & Taylor Books, *Bowker Annual.*

S7.2 Free Textbooks to Students Index.

Hardbound (7.2a) and paperbound textbooks (S7.2b)–compiled from prices reported to the Association of American Publishers. Average price of nine publishers representing approximately 60 percent of the market reporting to AAP.

S8.0 Utilities

This subindex is a composite of the Producer Price Index series for natural gas #0531, fuel oil number 2 to resellers #0573-0201, commercial electric power #0542, and water and sewerage maintenance (CPI). The CPI price series for refuse collection is currently used for the (8.5) utilities category. (Before FY 1985, wages for non-farm laborers from the BLS Employment Cost Index [ECI], which includes garbage collectors, was used as a proxy.)

The utility components are weighted according to the national average elementary-secondary school 1982-83 budget as follows: fuel oil, 59.3 percent; electrical power, 30.1 percent; natural gas, 4.2 percent; water and sewerage, 3.8 percent; and trash collection, 2.6 percent. The price series for utilities is shown in Table 5.13.

S9.0 Fixed costs

This category includes charges of a generally recurrent nature that are not readily allocated to other expenditure categories. The three components of fixed charges are insurance, rents and leases, and "other" which includes school board contributions to employee retirement.

There is no suitable price information available for either commercial insurance or rents. As substitutes, the CPI price series for household insurance and for residential rent are used. The "other" category, likely including a variety of costs associated with employee services, is priced by the employee fringe benefit index (S3.0) from Table 5.1. The fixed costs components are weighted according to the national average budget as follows: insurance, 72 percent; rents, 5 percent; other, 23 percent. The overall price series for fixed costs is shown in Table 5.13.

Table 5-C
Elementary-Secondary School Price Index and Major Component Subindexes
FY 1975 to 1980

	Personnel compensation				Contracted services, supplies, and equipment							
1983 =100 Fiscal year	Professional salaries (S1.0)	Nonprofessional wages & salaries (S2.0)	Fringe benefits (S3.0)	Total*	Services (S4.0)	Supplies and materials (S5.0)	Equipment replacement (S6.0)	Library materials and textbooks (S7.0)	Utilities (S8.0)	Fixed Costs (S9.0)	Total#	School Price Index^
1975.....	56.0	55.6	40.9	53.4	55.7	58.0	53.7	53.8	34.5	45.2	50.4	52.7
1976.....	60.2	59.7	46.5	57.8	59.6	62.5	58.9	60.6	40.0	50.7	55.2	57.3
1977.....	63.4	63.2	51.5	61.3	63.4	65.4	62.3	64.7	44.4	56.8	59.3	60.9
1978.....	67.2	67.6	53.7	65.0	67.6	69.2	66.7	72.1	48.5	62.8	63.9	64.8
1979.....	71.9	72.6	63.5	70.6	71.5	75.8	72.2	76.7	56.4	70.0	70.0	70.5
1980.....	76.7	77.8	71.0	75.9	77.4	85.9	79.6	82.1	71.1	77.9	79.2	76.6
1976.....	7.5%	7.4%	13.7%	8.3%	6.9%	7.8%	9.6%	12.8%	16.0%	12.2%	9.6%	8.6%
1977.....	5.3%	5.8%	10.8%	6.1%	6.4%	4.6%	5.8%	6.7%	11.0%	12.0%	7.3%	6.4%
1978.....	6.1%	7.0%	4.3%	6.0%	6.7%	5.8%	7.0%	11.5%	9.3%	10.6%	7.7%	6.3%
1979.....	6.9%	7.5%	18.2%	8.6%	5.7%	9.6%	8.4%	6.4%	16.2%	11.5%	9.6%	8.8%
1980.....	6.7%	7.0%	11.8%	7.5%	8.3%	13.3%	10.2%	7.0%	26.1%	11.2%	13.1%	8.7%

* Personnel compensation total 1983 weighting: 67.6% prof salaries + 15.5% non-prof salaries + 16.9% fringe benefits.
\# Contracted services total 1983 weighting: 24.5% services + 30.2% supplies and materials + 3.2% equipment replacement + 5.7% library +18.9% utilities + 17.5% fixed costs.
^ SPI 1983 weighting: 79.2% personnel compensation +20.8% contracted services, supplies, and equipment. Sources: See text.

Table 5.1
Elementary-Secondary School Price Index and Major Component Subindexes
FY 1981 to 2001

	Personnel compensation				Contracted services, supplies, and equipment							
1983 =100 Fiscal year	Professional salaries (S1.0)	Nonprofessional wages & salaries (S2.0)	Fringe benefits (S3.0)	Total*	Services (S4.0)	Supplies and materials (S5.0)	Equipment replacement (S6.0)	Library materials and textbooks (S7.0)	Utilities (S8.0)	Fixed Costs (S9.0)	Total#	School Price Index^
1981.....	85.1	85.9	81.5	84.6	85.7	95.7	88.0	86.9	92.8	87.2	90.5	85.9
1982.....	92.8	94.4	90.3	92.6	94.6	101.1	95.5	91.6	102.2	94.1	97.8	93.7
1983.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1984.....	105.7	104.5	108.3	106.0	105.6	99.6	103.4	107.8	94.3	105.4	101.7	105.1
1985.....	113.4	111.3	117.1	113.7	112.4	103.2	107.2	111.0	96.1	110.8	106.0	112.1
1986.....	121.4	117.6	123.3	121.1	117.4	103.0	109.3	120.8	93.7	116.2	108.3	118.5
1987.....	128.4	121.9	128.8	127.4	123.7	101.5	112.9	126.5	75.3	122.7	107.5	123.3
1988.....	135.5	127.5	137.0	134.5	126.1	105.9	113.4	140.0	78.1	128.4	111.7	129.8
1989.....	142.2	133.3	147.0	141.6	131.8	112.0	116.0	149.4	75.1	134.6	116.1	136.3
1990.....	150.1	139.4	159.3	150.0	137.7	119.2	121.2	171.7	82.1	140.28	123.5	144.5
1991.....	158.1	146.5	169.8	158.3	142.5	122.7	125.7	189.5	92.6	144.9	129.6	152.3
1992.....	165.9	152.4	175.8	165.5	148.0	122.5	128.5	199.8	90.8	148.9	132.0	158.5
1993.....	169.3	155.1	184.5	169.6	151.5	121.9	131.8	205.6	90.4	153.8	133.9	162.2
1994.....	175.1	159.3	190.2	175.2	154.0	122.7	135.4	218.6	90.6	158.8	136.5	167.1
1995.....	178.9	163.7	194.9	179.2	157.2	124.4	138.7	230.4	89.7	163.9	139.3	170.9
1996.....	185.7	169.2	200.3	185.6	161.8	138.1	143.2	243.0	91.0	169.1	146.6	177.5
1997.....	190.2	174.5	204.2	190.2	165.2	137.2	145.2	263.7	100.1	172.9	150.8	182.0
1998.....	193.3	177.9	207.6	193.3	168.0	137.6	144.2	278.7	98.1	177.0	152.7	184.9
1999.....	199.1	184.5	213.4	199.2	172.1	135.2	145.6	295.8	87.5	178.3	152.3	189.5
2000.....	203.5	189.3	220.2	204.1	175.5	136.4	147.9	312.5	92.6	182.1	156.1	194.2
2001.....	210.8	197.6	226.3	211.4	177.4	143.2	149.4	334.0	118.4	186.7	165.6	201.8
1991.....	5.3%	5.1%	6.6%	5.5%	3.5%	2.9%	3.7%	10.3%	12.8%	3.3%	5.0%	5.4%
1992.....	4.9%	4.0%	3.5%	4.5%	3.8%	-0.1%	2.2%	5.5%	-1.9%	2.7%	1.8%	4.0%
1993.....	2.0%	1.8%	4.9%	2.5%	2.4%	-0.5%	2.5%	2.9%	-0.5%	3.3%	1.4%	2.3%
1994.....	3.4%	2.7%	3.1%	3.3%	1.6%	0.7%	2.8%	6.3%	0.3%	3.2%	2.0%	3.0%
1995.....	2.2%	2.8%	2.5%	2.3%	2.1%	1.4%	2.4%	5.4%	-1.0%	3.3%	2.1%	2.3%
1996.....	3.8%	3.4%	2.8%	3.6%	2.9%	11.0%	3.3%	5.4%	1.4%	3.2%	5.2%	3.8%
1997.....	2.5%	3.1%	1.9%	2.5%	2.1%	-0.6%	1.4%	8.6%	10.0%	2.2%	2.9%	2.5%
1998.....	1.6%	2.0%	1.7%	1.7%	1.7%	0.2%	-0.7%	5.7%	-2.0%	2.4%	1.3%	1.6%
1999.....	3.0%	3.7%	2.8%	3.1%	2.5%	-1.7%	1.0%	6.1%	-10.8%	0.8%	-0.3%	2.5%
2000.....	2.2%	2.6%	3.2%	2.5%	2.0%	0.9%	1.6%	5.7%	5.8%	2.1%	2.5%	2.5%
2001.....	3.6%	4.4%	2.6%	3.5%	1.1%	5.0%	1.0%	6.9%	27.9%	2.5%	6.1%	4.0%

* Personnel compensation total 1983 weighting: 67.6% prof salaries + 15.5% non-prof salaries + 16.9% fringe benefits.
\# Contracted services total 1983 weighting: 24.5% services + 30.2% supplies and materials + 3.2% equipment replacement + 5.7% library +18.9% utilities + 17.5% fixed costs.
^ SPI 1983 weighting: 79.2% personnel compensation +20.8% contracted services, supplies, and equipment. Sources: See text.

Table 5.2
Indexes of Professional Personnel Used for the School Price Index
FY 1981 to 2001

1983=100

Fiscal year	Superintendents & other administrators (S1.1)	Principals (S1.2)	Supervisors of instruction (S1.3)	Classroom teachers (S1.4)	Librarians (S1.5)	Guidance counselors (S1.6)	Health personnel (S1.7)	Professional salaries total* (S1.0)
1981.....	86.6	86.4	86.2	85.0	84.8	85.6	87.1	85.1
1982.....	93.6	93.6	94.2	92.6	93.0	93.5	94.7	92.8
1983.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1984.....	107.1	104.7	102.0	105.9	105.1	105.0	103.9	105.7
1985.....	117.4	112.7	111.4	113.4	113.3	112.4	113.1	113.4
1986.....	124.3	120.4	119.1	121.5	121.0	119.8	121.0	121.4
1987.....	130.7	127.6	125.5	128.5	128.8	126.8	126.0	128.4
1988.....	136.7	134.3	132.9	135.7	136.3	134.0	134.4	135.5
1989.....	144.0	141.3	140.9	142.3	143.6	139.5	140.7	142.2
1990.....	151.1	149.1	148.6	150.3	151.9	146.6	148.0	150.1
1991.....	159.1	157.9	156.5	158.2	160.7	154.9	157.2	158.1
1992.....	166.8	165.2	163.7	166.1	168.9	161.2	162.9	165.9
1993.....	168.7	168.1	166.3	169.6	172.2	164.6	167.6	169.3
1994.....	173.8	174.0	171.0	175.6	178.4	168.5	173.7	175.1
1995.....	178.9	178.9	176.5	179.1	183.4	173.1	176.2	178.9
1996.....	184.3	185.5	181.7	186.0	189.5	179.6	186.0	185.7
1997.....	191.0	192.3	190.2	190.2	196.5	184.8	191.3	190.2
1998.....	196.5	197.1	195.3	192.9	201.0	188.1	196.4	193.3
1999.....	204.5	204.0	197.7	198.7	207.3	192.6	201.5	199.1
2000.....	212.9	210.7	204.2	202.9	212.0	196.3	201.6	203.5
2001.....	223.7	220.3	209.2	209.8	222.4	203.7	210.9	210.8
1991.....	5.3%	6.0%	5.3%	5.3%	5.8%	5.7%	6.2%	5.3%
1992.....	4.8%	4.6%	4.6%	5.0%	5.1%	4.1%	3.6%	4.9%
1993.....	1.1%	1.8%	1.6%	2.1%	1.9%	2.1%	2.9%	2.0%
1994.....	3.0%	3.5%	2.8%	3.5%	3.6%	2.3%	3.6%	3.4%
1995.....	2.9%	2.8%	3.2%	2.0%	2.8%	2.7%	1.4%	2.2%
1996.....	3.0%	3.7%	2.9%	3.9%	3.3%	3.8%	5.6%	3.8%
1997.....	3.7%	3.6%	4.7%	2.3%	3.7%	2.9%	2.8%	2.5%
1998.....	2.9%	2.5%	2.7%	1.4%	2.3%	1.8%	2.7%	1.6%
1999.....	4.1%	3.5%	1.2%	3.0%	3.1%	2.4%	2.6%	3.0%
2000.....	4.1%	3.3%	3.3%	2.1%	2.3%	1.9%	0.0%	2.2%
2001.....	5.1%	4.6%	2.4%	3.4%	4.9%	3.8%	4.6%	3.6%

* Professional salaries total 1983 weighting: 3.1% superintendents + 5.4% principals + 1.9% supervisors + 83.1% classroom teachers + 1.8% librarians + 3.9% guidance counselors + .8% health personnel.

Source: Educational Research Service, Inc., *Salaries and Wages for Professional and Support Personnel in Public Schools.*

Table 5.3
Indexes of Superintendents and Other Administrative and Professional Staff, SPI
FY 1981 to 2001

1983=100

	Superintendents			Other Administrators					
Fiscal year	Super-intendents	Associate	Assistant	Finance and business	Public relations	Instruc-tional	Personnel admin	Electronic data processing	Total* (S1.1)
1981.....	85.5	86.7	86.8	87.2	85.7	86.8	84.2	89.2	86.6
1982.....	92.8	94.5	94.3	93.9	92.9	94.1	91.1	94.2	93.6
1983.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1984.....	104.4	102.3	104.2	112.2	106.8	108.5	108.9	107.3	107.1
1985.....	113.3	111.5	113.7	122.6	117.0	119.1	120.8	118.4	117.4
1986.....	120.8	120.7	121.3	131.3	123.7	126.4	126.4	120.9	124.3
1987.....	128.5	127.0	127.1	137.6	129.0	133.7	132.9	125.5	130.7
1988.....	135.6	134.7	134.8	143.9	136.9	139.3	140.5	125.0	136.7
1989.....	141.6	139.7	141.4	151.8	143.9	147.2	147.5	134.7	144.0
1990.....	150.1	146.9	148.6	159.2	148.9	154.4	154.0	140.1	151.1
1991.....	158.9	152.8	157.7	167.5	158.9	162.1	162.0	146.8	159.1
1992.....	165.8	162.0	164.3	173.4	167.8	170.2	170.2	156.6	166.8
1993.....	169.4	162.6	167.1	176.0	167.8	171.3	169.9	159.6	168.7
1994.....	174.5	166.0	172.3	182.4	173.6	177.2	174.1	162.9	173.8
1995.....	179.5	171.4	178.3	186.5	176.6	182.9	179.9	166.2	178.9
1996.....	187.5	177.4	182.5	194.1	178.6	187.6	185.2	169.7	184.3
1997.....	195.2	186.8	190.0	200.1	185.4	193.9	191.5	175.0	191.0
1998.....	202.0	190.3	195.1	205.9	189.7	200.2	194.2	181.4	196.5
1999.....	211.2	196.1	203.8	217.7	196.3	207.4	201.8	187.1	204.5
2000.....	223.2	205.2	210.7	223.5	201.1	216.5	209.4	195.7	212.9
2001.....	235.8	219.5	223.1	236.5	217.2	226.7	221.3	196.9	223.7
1991.....	5.9%	4.0%	6.1%	5.2%	6.7%	5.0%	5.2%	4.8%	5.3%
1992.....	4.3%	6.0%	4.2%	3.5%	5.6%	5.0%	5.1%	6.7%	4.8%
1993.....	2.1%	0.3%	1.7%	1.5%	0.0%	0.6%	-0.2%	1.9%	1.1%
1994.....	3.1%	2.1%	3.1%	3.7%	3.4%	3.5%	2.5%	2.1%	3.0%
1995.....	2.8%	3.3%	3.5%	2.2%	1.7%	3.2%	3.4%	2.0%	2.9%
1996.....	4.5%	3.5%	2.4%	4.1%	1.1%	2.6%	2.9%	2.1%	3.0%
1997.....	4.1%	5.3%	4.1%	3.1%	3.8%	3.4%	3.4%	3.1%	3.7%
1998.....	3.5%	1.9%	2.7%	2.9%	2.3%	3.2%	1.4%	3.7%	2.9%
1999.....	4.6%	3.0%	4.5%	5.7%	3.5%	3.6%	3.9%	3.1%	4.1%
2000.....	5.7%	4.6%	3.4%	2.7%	2.4%	4.4%	3.8%	4.6%	4.1%
2001.....	5.6%	7.0%	5.9%	5.8%	8.0%	4.7%	5.7%	0.6%	5.1%

* Superintendents and other staff total 1983 weighting: 13.1% superintendents + 5.9% associate supts + 18.6% assistant supts + 11.8% finance and business + 3.0% public relations + 25.1% instructional + 11.1% personnel admin + 11.3% EDP.

Source: Educational Research Service, Inc., *Salaries and Wages for Professional and Support Personnel in Public Schools.* Electronic data processing personnel, see text.

Table 5.4
Indexes of Principals and Assistant Principals, SPI
FY 1981 to 2001

1983=100

Fiscal year	Principals			Assistant Principals			Total*
	Elementary	Junior	Senior	Elementary	Junior	Senior	(S1.2)
1981.....	86.0	86.9	85.7	84.3	87.6	87.3	86.4
1982.....	93.2	94.0	92.5	92.4	94.7	94.6	93.6
1983.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1984.....	104.9	105.2	104.6	102.4	105.1	104.5	104.7
1985.....	112.3	113.4	111.9	111.2	113.6	113.6	112.7
1986.....	120.3	121.2	119.6	120.0	121.3	120.4	120.4
1987.....	128.0	128.3	127.4	125.3	127.6	127.2	127.6
1988.....	134.6	134.6	134.3	132.3	134.8	133.9	134.3
1989.....	141.5	141.4	140.9	139.9	142.2	140.8	141.3
1990.....	149.2	149.2	148.2	149.2	149.8	148.7	149.1
1991.....	158.6	157.5	157.2	158.8	157.9	156.8	157.9
1992.....	166.0	164.5	164.3	166.2	164.6	164.2	165.2
1993.....	169.2	167.7	167.7	165.5	167.9	167.5	168.1
1994.....	175.4	173.5	172.8	171.6	173.2	173.3	174.0
1995.....	180.6	178.2	177.1	176.9	178.0	177.8	178.9
1996.....	187.7	184.3	184.2	184.3	182.7	184.2	185.5
1997.....	193.8	191.2	192.6	190.7	189.8	191.2	192.3
1998.....	199.2	196.6	197.8	194.0	194.2	195.2	197.1
1999.....	207.5	204.5	204.2	198.1	199.2	200.6	204.0
2000.....	213.9	211.3	212.3	205.8	204.5	207.4	210.7
2001.....	223.7	221.3	221.7	215.5	214.2	216.3	220.3
1991.....	6.3%	5.6%	6.1%	6.4%	5.4%	5.4%	6.0%
1992.....	4.7%	4.4%	4.5%	4.7%	4.2%	4.7%	4.6%
1993.....	1.9%	1.9%	2.1%	-0.4%	2.0%	2.0%	1.8%
1994.....	3.6%	3.5%	3.1%	3.7%	3.2%	3.5%	3.5%
1995.....	3.0%	2.7%	2.5%	3.1%	2.8%	2.6%	2.8%
1996.....	3.9%	3.4%	4.0%	4.2%	2.6%	3.6%	3.7%
1997.....	3.2%	3.7%	4.6%	3.5%	3.9%	3.8%	3.6%
1998.....	2.8%	2.8%	2.7%	1.7%	2.3%	2.1%	2.5%
1999.....	4.2%	4.0%	3.2%	2.1%	2.6%	2.8%	3.5%
2000.....	3.1%	3.3%	4.0%	3.9%	2.7%	3.4%	3.3%
2001.....	4.6%	4.7%	4.4%	4.7%	4.7%	4.3%	4.6%

* Principals total 1983 weighting: 42.5% elementary + 10.8% junior high + 10.2% senior high + 7.1% elementary assist + 10.8% junior assist + 18.6% senior assistant principals.
Source: Educational Research Service, Inc., *Salaries and Wages for Professional and Support Personnel in Public Schools.*

Table 5.5
Indexes of Nonprofessional Personnel Used for the School Price Index
FY 1981 to 2001

1983=100

Fiscal year	Teacher aides and paraprofessional (S2.1)	Secretary and clerical personnel (S2.2)	Custodians (S2.3)	Maintenance and trade personnel^ (S2.4)	Food service personnel (S2.5)	Bus drivers (S2.6)	Nonprofessional personnel total* (S2.0)
1981.....	85.1	85.2	85.9	87.2	85.6	87.7	85.9
1982.....	92.8	93.7	95.5	94.7	93.8	95.4	94.4
1983.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1984.....	103.9	105.3	104.2	103.8	104.5	105.0	104.5
1985.....	111.6	113.4	110.8	107.7	111.3	110.8	111.3
1986.....	117.6	120.2	116.9	111.7	118.3	117.7	117.6
1987.....	122.0	126.0	120.5	114.0	121.6	122.9	121.9
1988.....	127.7	133.4	125.5	117.7	127.9	126.7	127.5
1989.....	133.5	139.1	131.5	121.2	134.7	133.8	133.3
1990.....	140.9	146.3	137.1	125.7	139.0	140.4	139.4
1991.....	147.5	153.7	145.3	130.4	147.6	145.1	146.5
1992.....	154.2	161.1	150.1	134.1	151.7	153.1	152.4
1993.....	157.0	163.7	152.7	137.8	155.2	154.7	155.1
1994.....	161.4	168.9	156.7	141.7	158.5	157.8	159.3
1995.....	165.9	173.3	161.3	145.8	162.0	163.0	163.7
1996.....	170.9	180.7	166.1	149.6	167.4	168.3	169.2
1997.....	175.8	187.3	170.9	153.8	170.4	175.3	174.5
1998.....	178.3	192.1	173.2	158.7	175.8	176.1	177.9
1999.....	185.7	198.5	180.1	164.2	181.1	183.5	184.5
2000.....	191.1	205.1	182.2	169.8	185.2	190.2	189.3
2001.....	198.8	214.1	190.2	176.8	193.2	200.2	197.6
1991.....	4.7%	5.0%	6.0%	3.7%	6.2%	3.3%	5.1%
1992.....	4.5%	4.8%	3.3%	2.8%	2.8%	5.5%	4.0%
1993.....	1.8%	1.6%	1.7%	2.8%	2.3%	1.1%	1.8%
1994.....	2.8%	3.2%	2.6%	2.8%	2.1%	2.0%	2.7%
1995.....	2.8%	2.6%	3.0%	2.9%	2.2%	3.3%	2.8%
1996.....	3.0%	4.3%	3.0%	2.6%	3.3%	3.3%	3.4%
1997.....	2.9%	3.7%	2.9%	2.8%	1.8%	4.2%	3.1%
1998.....	1.4%	2.6%	1.3%	3.2%	3.2%	0.5%	2.0%
1999.....	4.2%	3.4%	4.0%	3.5%	3.0%	4.2%	3.7%
2000.....	2.9%	3.3%	1.2%	3.4%	2.3%	3.7%	2.6%
2001.....	4.1%	4.4%	4.4%	4.1%	4.3%	5.3%	4.4%

^ Data from Employment Cost Index.
* Nonprofessional total 1983 weighting: 11.5% teacher aides + 28.7% secretaries and clerical + 29.8% custodians +10.2% maintenance trade + 11.1% food service + 10.7% bus drivers.
Source: Educational Research Service, Inc., *Salaries and Wages for Professional and Support Personnel in Public Schools.*

Table 5.6
Indexes of Teacher Aides, Paraprofessionals, Secretaries, and Clerical Personnel, SPI
FY 1981 to 2001

1983=100	Teacher aides and paraprofessionals		Aides & para-prof'l	Secretaries and clerical personnel					
				Central Office			Sch bldg level		
Fiscal year	Instruc-tional	Non-instruc-tional	total* (S2.1)	Sec'y steno	Accounting & payroll person'l	Clerk typists	Sec'y steno	Library clerks	Total^ (S2.2)
1981.....	84.8	85.6	85.1	84.8	85.5	85.5	85.0	86.4	85.2
1982.....	92.4	93.8	92.8	93.2	93.0	94.4	93.6	94.4	93.7
1983.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1984.....	103.8	104.2	103.9	105.3	106.2	105.8	105.5	102.5	105.3
1985.....	111.6	111.8	111.6	112.5	112.8	114.2	113.6	113.0	113.4
1986.....	117.4	118.0	117.6	120.1	121.4	120.8	120.3	118.8	120.2
1987.....	121.8	122.6	122.0	126.0	126.3	125.6	126.7	121.4	126.0
1988.....	127.3	128.7	127.7	133.6	133.3	134.0	134.0	128.1	133.4
1989.....	133.5	133.5	133.5	139.6	140.0	139.0	139.6	134.0	139.1
1990.....	140.7	141.3	140.9	146.9	146.9	147.5	147.1	138.6	146.3
1991.....	147.2	148.3	147.5	156.2	155.0	154.3	154.1	144.8	153.7
1992.....	154.4	153.7	154.2	163.6	162.4	161.4	161.6	152.2	161.1
1993.....	157.4	156.1	157.0	167.0	165.3	162.6	164.5	151.8	163.7
1994.....	161.0	162.5	161.4	172.3	170.2	167.4	169.9	157.5	168.9
1995.....	166.1	165.5	165.9	175.5	175.8	170.9	174.2	164.0	173.3
1996.....	171.2	170.1	170.9	181.9	182.9	177.9	182.4	168.7	180.7
1997.....	175.2	177.3	175.8	188.5	189.2	189.6	188.2	175.1	187.3
1998.....	179.2	176.0	178.3	192.9	191.9	197.9	192.8	179.6	192.1
1999.....	185.6	185.8	185.7	201.9	202.0	205.6	198.4	182.9	198.5
2000.....	189.4	195.0	191.1	208.3	208.4	209.1	205.7	188.3	205.1
2001.....	197.2	202.6	198.8	216.4	218.6	221.7	214.7	194.5	214.1
1991.....	4.6%	5.0%	4.7%	6.3%	5.5%	4.6%	4.8%	4.5%	5.0%
1992.....	4.9%	3.6%	4.5%	4.7%	4.8%	4.6%	4.9%	5.1%	4.8%
1993.....	1.9%	1.6%	1.8%	2.0%	1.8%	0.7%	1.8%	-0.2%	1.6%
1994.....	2.3%	4.1%	2.8%	3.2%	3.0%	2.9%	3.3%	3.7%	3.2%
1995.....	3.2%	1.9%	2.8%	1.9%	3.3%	2.1%	2.5%	4.1%	2.6%
1996.....	3.1%	2.8%	3.0%	3.6%	4.0%	4.1%	4.7%	2.9%	4.3%
1997.....	2.3%	4.2%	2.9%	3.6%	3.4%	6.6%	3.2%	3.8%	3.7%
1998.....	2.3%	-0.7%	1.4%	2.3%	1.4%	4.4%	2.4%	2.6%	2.6%
1999.....	3.6%	5.6%	4.2%	4.7%	5.3%	3.9%	2.9%	1.8%	3.4%
2000.....	2.0%	5.0%	2.9%	3.2%	3.2%	1.7%	3.7%	3.0%	3.3%
2001.....	4.1%	3.9%	4.1%	3.9%	4.9%	6.0%	4.4%	3.3%	4.4%

* Teacher aides and paraprofessionals total 1983 weighting: 70.4% instructional + 29.6% noninstructional.
^ Secretaries and clerical total 1983 weighting: 17.2% central off sectry + 6.2% central off accounting + 9.9% central off clerical + 57.7% school bldg sectry + 9% library.
Source: Educational Research Service, Inc., *Salaries and Wages for Professional and Support Personnel in Public Schools.*

Table 5.7
Indexes of Contracted Services Used for the School Price Index
FY 1981 to 2001

1983 =100	Plant operation and main-	Travel			Communications			Contracted student transpor-	Data process-		Teacher educa-	Services
Fiscal year	tenance (S4.1)	Mileage	Public transpor- tation	Total# (S4.2)	Printing and dupli- cating (S4.3)	Tele- phone	Postal	Total^ (S4.4)	tation (S4.5)	ing (S4.6)	Consul tants (S4.7)	tion (S4.8)	total* (S4.0)
1981....	88.8	90.5	79.3	89.0	91.4	83.0	80.4	82.5	83.3	89.2	83.8	78.9	85.7
1982....	95.8	98.0	94.1	97.5	96.5	92.5	97.1	93.4	94.4	94.2	92.8	89.3	94.6
1983....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1984....	104.0	98.2	104.8	99.1	101.0	106.4	100.0	105.1	108.7	105.9	104.8	110.4	105.6
1985....	107.5	101.9	111.4	103.2	107.2	115.3	100.0	112.3	117.3	114.3	111.0	121.7	112.4
1986....	111.2	98.2	116.4	100.7	109.3	119.8	108.8	117.6	124.7	117.3	117.9	132.8	117.4
1987....	112.6	98.2	123.3	101.7	112.0	125.8	110.2	122.7	136.4	121.5	122.5	143.5	123.7
1988....	116.0	105.2	127.6	108.3	113.6	125.0	110.2	122.1	137.7	122.7	127.8	154.4	126.1
1989....	119.4	112.2	129.9	114.7	121.3	124.5	121.4	123.9	144.1	132.2	134.2	166.1	131.8
1990....	124.0	121.6	136.5	123.7	127.8	125.8	125.1	125.7	150.5	137.2	142.3	179.3	137.7
1991....	129.2	128.6	150.3	131.6	127.2	126.3	125.1	126.1	155.8	144.8	149.4	193.8	142.5
1992....	133.2	130.9	156.9	134.5	126.1	128.4	143.6	131.4	162.0	152.0	156.4	213.5	148.0
1993....	136.8	130.9	159.5	134.9	123.7	129.2	145.3	132.4	165.8	155.9	163.3	236.4	151.5
1994....	140.4	135.6	176.0	141.2	124.6	130.0	145.3	133.0	164.0	162.5	169.0	258.6	154.0
1995....	144.6	140.3	181.2	146.0	126.2	132.1	145.3	134.7	166.1	163.3	173.2	276.6	157.2
1996....	148.9	145.0	185.4	150.6	141.6	133.0	160.3	138.4	166.6	166.9	179.3	293.2	161.8
1997....	154.0	147.3	191.7	153.5	138.1	135.1	160.3	140.1	169.6	171.7	183.4	309.9	165.2
1998....	159.7	152.0	196.7	158.2	135.8	137.0	160.3	141.6	168.6	181.2	189.1	325.7	168.0
1999.	164.7	145.0	200.5	152.7	138.6	138.0	160.3	142.4	174.4	186.2	194.8	339.4	172.1
2000...	170.1	152.0	208.3	159.8	139.1	137.2	165.1	142.7	174.6	195.3	202.2	352.9	175.5
2001...	177.6	161.3	220.9	169.6	140.2	135.0	165.1	141.0	169.9	199.0	212.9	367.6	177.4
1991....	4.2%	5.8%	10.1%	6.4%	-0.5%	0.4%	0.0%	0.3%	3.5%	5.5%	5.0%	8.1%	3.5%
1992....	3.1%	1.8%	4.4%	2.2%	-0.8%	1.7%	14.8%	4.2%	4.0%	5.0%	4.7%	10.2%	3.8%
1993....	2.7%	0.0%	1.7%	0.3%	-1.9%	0.6%	1.2%	0.7%	2.3%	2.6%	4.4%	10.7%	2.4%
1994....	2.6%	3.6%	10.3%	4.7%	0.7%	0.6%	0.0%	0.5%	-1.1%	4.2%	3.5%	9.4%	1.6%
1995....	3.0%	3.5%	3.0%	3.4%	1.3%	1.6%	0.0%	1.3%	1.3%	0.5%	2.5%	7.0%	2.1%
1996....	3.0%	3.3%	2.3%	3.2%	12.2%	0.7%	10.3%	2.7%	0.3%	2.2%	3.5%	6.0%	2.9%
1997....	3.4%	1.6%	3.4%	1.9%	-2.5%	1.6%	0.0%	1.2%	1.8%	2.9%	2.3%	5.7%	2.1%
1998....	3.7%	3.2%	2.6%	3.1%	-1.7%	1.4%	0.0%	1.1%	-0.6%	5.5%	3.1%	5.1%	1.7%
1999.	3.1%	-4.6%	1.9%	-3.5%	2.0%	0.7%	0.0%	0.6%	3.4%	2.8%	3.0%	4.2%	2.5%
2000...	3.3%	4.8%	3.9%	4.7%	0.4%	-0.6%	3.0%	0.2%	0.1%	4.9%	3.8%	4.0%	2.0%
2001...	4.4%	6.1%	6.0%	6.1%	0.8%	-1.6%	0.0%	-1.2%	-2.7%	1.9%	5.3%	4.2%	1.1%

Travel total 1983 weighting: 86.1% mileage + 13.9% public transportation.
^ Communication total 1983 weighting: 80.2% telephone + 19.8% postal.
* Services total 1983 weighting: 18.2% plant operation + 6.8% travel + 9.4% printing + 14.9% communication + 32.5% student transportation + 8.2% data processing + 5.8% consultants + 4.2% teacher education. Sources: See text.

Table 5.8
Indexes of Printing and Duplicating Used for the School Price Index
FY 1981 to 2001

1983=100

	In-house printing				Contracted printing			
		Equipment rental						Printing
Fiscal year	Paper	Copy	Dupli-cating	Total#	Paper	Payroll	Total^	total~ (S4.3)
1981.....	94.7	127.9	85.0	92.5	92.5	87.8	89.6	91.4
1982.....	100.5	92.3	92.7	95.7	103.2	94.4	97.8	96.5
1983.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1984.....	100.3	100.0	100.0	100.1	98.7	105.0	102.6	101.0
1985.....	103.8	100.0	111.1	107.3	105.7	108.0	107.1	107.2
1986.....	101.9	109.5	116.9	110.4	100.5	111.9	107.5	109.3
1987.....	102.1	113.8	121.3	113.2	101.7	115.3	110.1	112.0
1988.....	103.6	112.0	121.3	113.6	105.3	118.7	113.6	113.6
1989.....	117.1	112.0	127.0	121.9	118.4	121.5	120.3	121.3
1990.....	127.9	112.0	133.2	129.3	125.5	125.1	125.3	127.8
1991.....	123.1	112.5	133.2	127.5	122.6	129.1	126.6	127.2
1992.....	119.8	112.5	133.2	126.2	116.0	132.1	125.9	126.1
1993.....	115.0	82.9	133.2	121.8	112.7	135.6	126.8	123.7
1994.....	115.8	82.9	133.2	122.1	112.5	138.8	128.7	124.6
1995.....	119.0	82.9	133.2	123.3	114.5	141.1	130.9	126.2
1996.....	160.6	82.9	133.2	139.5	149.8	142.3	145.2	141.6
1997.....	*150.0*	82.9	133.2	135.3	133.9	148.0	142.6	138.1
1998.....	139.2	82.9	133.2	131.2	128.3	152.9	143.5	135.8
1999.....	142.5	Discontinued		134.3	128.5	156.4	145.7	138.6
2000.....	141.6			133.4	128.1	161.3	148.6	139.1
2001.....	*142.0*			133.8	*128.3*	164.9	150.9	140.2
1991.....	-3.8%	0.4%	0.0%	-1.4%	-2.3%	3.2%	1.1%	-0.5%
1992.....	-2.7%	0.0%	0.0%	-1.0%	-5.4%	2.3%	-0.5%	-0.8%
1993.....	-4.0%	-26.3%	0.0%	-3.5%	-2.8%	2.7%	0.7%	-1.9%
1994.....	0.7%	0.0%	0.0%	0.3%	-0.2%	2.3%	1.5%	0.7%
1995.....	2.8%	0.0%	0.0%	1.0%	1.8%	1.7%	1.7%	1.3%
1996.....	35.0%	0.0%	0.0%	13.1%	30.8%	0.9%	10.9%	12.2%
1997.....	-6.6%	0.0%	0.0%	-2.9%	-10.6%	4.0%	-1.8%	-2.5%
1998.....	-7.2%	0.0%	0.0%	-3.1%	-4.2%	3.3%	0.6%	-1.7%
1999.....	2.4%			2.4%	0.2%	2.3%	1.6%	2.0%
2000.....	-0.6%			-0.6%	-0.3%	3.1%	2.0%	0.4%
2001.....	0.3%			0.3%	0.2%	2.2%	1.5%	0.8%

* In-house printing total 1983 weighting: 38.8% paper + 8.7% copy machine + 52.6% duplicating machine.
^ Contract printing total 1983 weighting: 38.3% paper + 61.7% payroll.
~ Printing total 1983 weighting: 62.3% in-house + 37.7% contracted printing services.
Sources: See text. Research Associates' estimates in italics.

Table 5.9
Indexes of Supplies and Materials Used for the School Price Index
FY 1981 to 2001

1983=100

Fiscal year	Instructional (S5.1)	Administrative and sectry (S5.2)	Plant operation (S5.3)	Student transportation (S5.4)	Health (S5.5)	Food (S5.6)	Food services (S5.7)	Plant maintenance (S5.8)	Supplies and materials total* (S5.0)
1981.....	100.4	92.1	88.1	104.0	82.5	94.8	91.3	91.9	95.7
1982.....	105.5	98.7	95.5	107.6	90.9	98.9	98.9	97.6	101.1
1983.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1984.....	100.0	99.6	103.2	91.9	108.6	101.0	101.2	101.4	99.6
1985.....	105.8	107.5	105.5	87.1	116.5	105.4	101.5	102.2	103.2
1986.....	104.2	106.8	109.3	85.7	124.8	104.6	102.1	105.0	103.0
1987.....	107.0	107.3	111.3	61.8	133.0	107.3	104.3	105.0	101.5
1988.....	115.6	109.9	115.1	64.7	141.9	109.5	108.5	109.1	105.9
1989.....	126.7	120.7	118.5	64.1	151.6	112.6	113.0	111.7	112.0
1990.....	135.6	127.5	124.9	71.3	163.4	118.7	122.4	116.0	119.2
1991.....	135.7	126.7	129.4	82.2	177.0	124.4	126.2	118.0	122.7
1992.....	136.9	123.4	133.4	75.8	191.5	124.1	129.2	122.5	122.5
1993.....	137.2	119.6	133.4	73.8	203.8	123.3	131.3	123.9	121.9
1994.....	138.7	119.6	134.6	70.7	211.3	125.7	131.7	126.1	122.7
1995.....	143.3	121.0	135.6	67.7	217.4	126.8	135.8	127.3	124.4
1996.....	168.7	151.4	139.9	69.8	221.6	129.0	147.7	130.1	138.1
1997.....	161.9	141.6	143.6	77.6	228.0	133.6	148.3	131.8	137.2
1998.....	163.2	138.0	145.2	79.0	233.3	134.5	145.5	135.0	137.6
1999.....	160.1	138.0	147.5	64.6	240.3	134.3	149.2	133.0	135.2
2000.....	162.2	136.2	148.5	71.5	249.9	135.1	147.7	130.5	136.4
2001.....	166.5	143.2	150.4	97.4	258.0	137.1	152.6	131.4	143.2
1991.....	0.1%	-0.6%	3.6%	15.3%	8.3%	4.8%	3.1%	1.7%	2.9%
1992.....	0.8%	-2.6%	3.1%	-7.8%	8.2%	-0.2%	2.4%	3.8%	-0.1%
1993.....	0.3%	-3.1%	0.0%	-2.6%	6.4%	-0.6%	1.6%	1.1%	-0.5%
1994.....	1.1%	0.0%	0.9%	-4.3%	3.7%	1.9%	0.3%	1.8%	0.7%
1995.....	3.3%	1.2%	0.7%	-4.3%	2.9%	0.9%	3.1%	1.0%	1.4%
1996.....	17.7%	25.1%	3.2%	3.2%	1.9%	1.7%	8.8%	2.2%	11.0%
1997.....	-4.0%	-6.5%	2.6%	11.2%	2.9%	3.6%	0.4%	1.3%	-0.6%
1998.....	0.8%	-2.5%	1.1%	1.8%	2.3%	0.7%	-1.9%	2.4%	0.2%
1999.....	-1.9%	0.0%	1.6%	-18.2%	3.0%	-0.1%	2.5%	-1.5%	-1.7%
2000.....	1.3%	-1.3%	0.7%	10.7%	4.0%	0.6%	-1.0%	-1.9%	0.9%
2001.....	2.7%	5.1%	1.3%	36.2%	3.2%	1.5%	3.3%	0.7%	5.0%

* Supplies and materials total 1983 weighting: 23.6% instructional + 18.4% administrative + 6.1% plant operation +13.2% student transportation + 1.4% health + 21.3% food + 6.1% food services + 7.9% plant maintenance.
Sources: See text.

Table 5.10
Indexes of Equipment Replacement Used for the School Price Index
FY 1981 to 2001

1983 =100		Plant equipment						
	Student transportation		Air conditioning			Vitreous china		Equipment replacement
Fiscal year	vehicles (S6.1)	Heating	Central	Unitary	Furniture	fixtures	Plant total* (S6.2)	total^ (S6.0)
1981.....	85.4	89.6	91.6	91.2	87.6	90.3	89.9	88.0
1982.....	94.5	96.4	96.4	96.4	94.9	96.2	96.2	95.5
1983.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1984.....	103.6	102.7	103.6	104.0	103.9	105.0	103.3	103.4
1985.....	108.0	106.6	104.3	105.1	107.8	110.6	106.6	107.2
1986.....	108.8	109.5	106.9	106.4	111.9	114.2	109.6	109.3
1987.....	113.4	113.0	108.6	107.3	115.3	116.8	112.5	112.9
1988.....	111.8	115.5	109.8	106.7	118.6	117.3	114.5	113.4
1989.....	112.4	119.2	114.4	110.1	124.2	120.4	118.6	116.0
1990.....	117.2	125.1	121.1	113.5	129.0	123.3	124.1	121.2
1991.....	120.3	131.6	126.7	117.1	133.4	125.6	129.6	125.7
1992.....	123.6	134.1	129.3	117.5	136.2	127.0	132.0	128.5
1993.....	128.6	137.3	129.8	115.9	138.1	127.6	134.0	131.8
1994.....	133.9	140.4	132.7	115.0	140.5	127.0	136.5	135.4
1995.....	138.7	142.5	134.2	115.5	144.7	128.9	138.6	138.7
1996.....	144.1	147.5	136.0	118.9	148.2	131.9	142.5	143.2
1997.....	144.5	151.2	139.1	122.0	151.7	131.8	145.7	145.2
1998.....	140.4	152.4	140.4	123.0	154.3	131.5	146.9	144.2
1999.....	142.4	153.3	141.9	126.2	155.2	131.4	147.9	145.6
2000.....	146.5	154.0	142.5	129.1	156.6	133.0	148.9	147.9
2001.....	148.1	155.5	145.0	125.8	158.3	134.0	150.4	149.4
1991.....	2.6%	5.2%	4.6%	3.2%	3.4%	1.9%	4.5%	3.7%
1992.....	2.7%	1.9%	2.1%	0.3%	2.1%	1.1%	1.8%	2.2%
1993.....	4.0%	2.4%	0.4%	-1.4%	1.4%	0.5%	1.5%	2.5%
1994.....	4.1%	2.3%	2.2%	-0.8%	1.7%	-0.5%	1.8%	2.8%
1995.....	3.6%	1.5%	1.1%	0.4%	3.0%	1.5%	1.6%	2.4%
1996.....	3.9%	3.5%	1.3%	2.9%	2.4%	2.3%	2.8%	3.3%
1997.....	0.3%	2.5%	2.3%	2.6%	2.4%	-0.1%	2.2%	1.4%
1998.....	-2.8%	0.8%	0.9%	0.8%	1.7%	-0.2%	0.8%	-0.7%
1999.....	1.4%	0.6%	1.1%	2.6%	0.6%	-0.1%	0.7%	1.0%
2000.....	2.9%	0.5%	0.4%	2.3%	0.9%	1.2%	0.6%	1.6%
2001.....	1.1%	1.0%	1.8%	-2.6%	1.1%	0.8%	1.0%	1.0%

* Plant equipment total 1983 weighting: 53.6% heating + 20.5% central air cond + 3.9% unitary air cond +11.9% furniture + 10.1% vitreous china fixtures.
^ Equipment replacement total 1983 weighting: 41.7% student transportation vehicles + 58.3% plant equipment.
Sources: See text.

Table 5.11
Average Prices and Indexes of Library Books and Periodicals Used for the School Price Index
FY 1981 to 2001

1983=100	U. S. books							U. S. periodicals				
	Hardcover books		Trade paper		Mass market		Book	Elementary		Secondary		Periodical
Fiscal	Ave		Ave		Ave		Index^	Ave		Ave		Index~
year#	price	Index	price	Index	price	Index	(S7.1a)	price	Index	price	Index	(S7.1b)
1981.....		84.5				83.2	84.4	$7.85	79.3	$19.87	83.0	81.2
1982.....		88.2				89.2	88.2	$8.56	86.5	$21.83	91.2	88.9
1983.....		100.0				100.0	100.0	$9.90	100.0	$23.93	100.0	100.0
1984.....		105.5				108.5	105.7	$11.49	116.1	$26.43	110.4	113.1
1985.....		105.4				113.7	105.8	$12.21	123.3	$27.90	116.6	119.8
1986.....		107.0				127.0	108.1	$13.31	134.4	$26.41	110.4	121.9
1987.....		112.0				132.7	113.1	$13.76	139.0	$26.95	112.6	125.3
1988.....		123.0				137.3	123.8	$15.19	153.4	$27.79	116.1	134.0
1989.....		129.3				156.0	130.8	$16.39	165.6	$28.29	118.2	140.9
1990.....		138.5		138.5		152.4	139.6	$16.95	171.2	$29.69	124.1	146.7
1991.....		144.2		139.9		158.4	143.8	$17.51	176.9	$31.24	130.5	152.7
1992.....		150.3		140.2		163.0	147.7	$18.38	185.7	$32.25	134.8	159.1
1993.....		154.5		137.4		165.6	149.4	$19.48	196.8	$34.56	144.4	169.5
1994.....		159.1		140.7		173.6	153.8	$19.83	200.3	$35.73	149.3	173.7
1995.....		159.1		150.0		180.9	157.6	$20.43	206.4	$37.31	155.9	180.1
1996.....		162.8		158.4		188.8	163.2	$21.31	215.3	$38.45	160.7	186.8
1997.....		170.7		163.7		196.8	170.2	$21.65	218.7	$39.37	164.5	190.5
1998.....	$10.99	176.4	$5.86	165.4	$3.27	221.3	175.9	$23.08	233.1	$40.72	170.2	200.3
1999.....	$10.96	175.9	$5.97	168.5	$3.41	230.8	177.5	$24.15	243.9	$42.26	176.6	208.9
2000.....	$11.10	178.2	$5.45	153.8	$3.37	228.1	173.4	$24.69	249.4	$43.32	181.0	213.8
2001.....	$11.29	181.2	$5.89	166.2	$3.63	245.7	180.8	$25.14	253.9	$44.48	185.9	218.5
1991.....		4.1%		1.0%		3.9%	3.0%		3.3%		5.2%	4.1%
1992.....		4.2%		0.2%		2.9%	2.7%		5.0%		3.2%	4.2%
1993.....		2.8%		-2.0%		1.6%	1.1%		6.0%		7.2%	6.5%
1994.....		3.0%		2.4%		4.8%	2.9%		1.8%		3.4%	2.5%
1995.....		0.0%		6.6%		4.2%	2.5%		3.0%		4.4%	3.7%
1996.....		2.3%		5.6%		4.4%	3.6%		4.3%		3.1%	3.7%
1997.....		4.8%		3.4%		4.2%	4.3%		1.6%		2.4%	2.0%
1998.....		3.4%		1.0%		12.5%	3.4%		6.6%		3.4%	5.2%
1999.....		-0.3%		1.9%		4.3%	0.9%		4.6%		3.8%	4.3%
2000.....		1.3%		-8.7%		-1.2%	-2.3%		2.2%		2.5%	2.4%
2001.....		1.7%		8.1%		7.7%	4.3%		1.8%		2.7%	2.2%

Some prices are for preceding calendar year, e.g., FY 1991 reports calendar year 1990 prices.
^ Book total 1983 weighting: 57.3% hardcover + 35.1% trade + 7.6% mass market.
~ Periodical total 1983 weighting: 47.9% elementary + 52.1% secondary.
Research Associates' estimates in italics. See text for sources.

Table 5.12
Average Prices and Indexes of Library Other Acquisition Materials and Textbooks, SPI
FY 1981 to 2001

1983=100	— Microforms -		——— Audiovisual materials ———										
			16-mm film		Video VHS cassettes		Filmstrip		Prerecorded audio cassette		Audio-visual	Library materials
Fiscal year#	Ave price	Index (S7.1c)	Ave price	Index	Ave price per minute	Index	Ave price	Index	Ave price	Index	Index* (S7.1d)	Index^ (S7.1)
1981.....	$0.1890	86.5	$12.03	80.1	$7.58	72.4	$67.39	82.6	$9.34	87.0	81.9	83.6
1982.....	$0.2021	92.5	$16.09	107.2	$14.87	142.0	$71.12	87.1	$12.48	116.2	95.4	89.9
1983.....	$0.2184	100.0	$15.01	100.0	$10.47	100.0	$81.62	100.0	$10.74	100.0	100.0	100.0
1984.....	$0.2274	104.1	$15.47	Discont	$11.04	105.4	$79.57	Discont	$11.23	104.6	105.4	106.4
1985.....	$0.2450	112.2	$16.93		$8.44	80.6	$85.76		$9.99	93.0	81.4	102.4
1986.....	$0.2612	119.6	$16.50		$10.24	97.8	$83.50		$8.99	83.7	96.9	107.6
1987.....	Discont	126.0	$16.85		$7.44	71.1	$85.33		$10.61	98.8	72.8	106.3
1988.....		132.5	$17.00		$6.79	64.9	$112.15		$8.50	79.1	65.8	112.9
1989.....		138.9	$18.96		$7.21	68.9	$74.45		$10.12	94.2	70.5	119.3
1990.....		145.4	$20.63		$5.67	54.2	$89.14		$10.58	98.5	56.9	123.0
1991.....		151.8	$18.40		$5.60	53.5	$121.76		$10.47	97.5	56.3	126.5
1992.....		161.9	$20.08		$4.81	45.9	$97.90		$12.18	113.4	50.2	128.7
1993.....		168.8	$20.85		$3.23	30.9	$81.73		$11.73	109.2	35.8	128.1
1994.....		174.7	$16.23		$2.38	22.7	$81.06		$8.20	76.4	26.1	129.5
1995.....		179.0	$15.05		$2.11	20.2	$58.60		$8.82	82.1	24.1	132.4
1996.....		207.3	Discontinued		$2.15	20.5	Discontinued		$7.96	74.1	23.9	137.5
1997.....		215.3			$2.03	19.4			$8.13	75.7	22.9	142.4
1998.....		224.9			$1.72	16.4			$8.31	77.4	20.3	146.9
1999.....		231.3			$1.74	16.6			$8.20	76.4	20.4	149.1
2000.....		235.8			*$1.75*	16.7			*$8.20*	76.4	20.5	147.1
2001.....		235.9			*$1.75*	16.7			*$8.20*	76.4	20.5	152.5
1991.....		4.4%				-1.2%				-1.0%	-1.2%	2.8%
1992.....		6.7%				-14.1%				16.3%	-10.8%	1.8%
1993.....		4.3%				-32.8%				-3.7%	-28.7%	-0.5%
1994.....		3.5%				-26.3%				-30.1%	-27.0%	1.1%
1995.....		2.5%				-11.3%				7.6%	-7.9%	2.2%
1996.....		15.8%				1.9%				-9.8%	-0.6%	3.8%
1997.....		3.9%				-5.6%				2.1%	-4.1%	3.6%
1998.....		4.5%				-15.3%				2.2%	-11.6%	3.2%
1999.....		2.8%				1.2%				-1.3%	0.6%	1.5%
2000.....		1.9%				0.6%				0.0%	0.4%	-1.3%
2001.....		0.0%				0.0%				0.0%	0.0%	3.7%

Prices are for preceding calendar year, e.g., FY 1991 reports calendar year 1990 prices.
* Total audiovisual 1996 weighting: 93.7% video cassettes, 6.3% prerecorded tapes.
^ Library materials index 1983 weighting: 64.8% books, 11.7% periodicals, 2.3% microfilm, 21.2% audiovisual.
Sources: See text. Research Associates' estimates in italics.

Table 5.12 (continued)

1983=100	Free textbooks to students					Library materials and textbooks index** (S7.0)
	Hardbound		Paperbound		Text-books Index~ (S7.2)	
Fiscal year#	Ave price (S7.2a)	Index	Ave price	Index		
1981.....	$6.42	90.3	$3.05	85.7	89.4	86.9
1982.....	$6.64	93.4	$3.23	90.7	92.9	91.6
1983.....	$7.11	100.0	$3.56	100.0	100.0	100.0
1984.....	$7.80	109.7	$3.75	105.3	108.9	107.8
1985.....	$8.40	118.1	$4.05	113.8	117.3	111.0
1986.....	$9.12	128.1	$4.98	139.9	130.4	120.8
1987.....	$9.71	136.4	$5.73	161.0	141.2	126.5
1988.....	$11.82	156.1	New*	175.0	159.8	140.0
1989.....	$12.63	166.9	$6.10	190.0	171.4	149.4
1990.....	$15.41	203.6	$7.15	222.4	207.3	171.7
1991.....	$17.64	233.1	$7.89	245.4	235.5	189.5
1992.....	$18.87	249.3	$8.41	261.6	251.7	199.8
1993.....	$19.13	252.7	$9.69	301.4	262.2	205.6
1994.....	$20.87	275.7	$10.18	316.6	283.7	218.6
1995.....	New*	297.6	$10.29	320.0	302.0	230.4
1996.....	$21.56	330.2	$8.93	277.7	320.0	243.0
1997.....	$24.13	369.6	$9.04	281.2	352.3	263.7
1998.....	$25.83	395.6	$9.32	290.0	375.0	278.7
1999.....	$27.75	425.0	Discontinued		402.9	295.8
2000.....	$29.84	457.0			433.2	312.5
2001.....	$32.14	492.2			466.6	334.0
1991.....		14.5%		10.3%	13.6%	10.3%
1992.....		7.0%		6.6%	6.9%	5.5%
1993.....		1.4%		15.2%	4.2%	2.9%
1994.....		9.1%		5.1%	8.2%	6.3%
1995.....		7.9%		1.1%	6.4%	5.4%
1996.....		11.0%		-13.2%	6.0%	5.4%
1997.....		11.9%		1.2%	10.1%	8.6%
1998.....		7.0%		3.1%	6.4%	5.7%
1999.....		7.4%			7.4%	6.1%
2000.....		7.5%			7.5%	5.7%
2001.....		7.7%			7.7%	6.9%

* New price series begins. Old and new prices linked in this year.
~ Free textbooks index 1983 weighting: 80.5% hardbound, 19.5% paperbound.
** Library materials and textbooks index 1983 weighting: 42.2% library materials, 57.8% textbooks.
\+ Price source changed in FY 1988 and linked to previous series. Sources: See text.

Table 5.13
Indexes of Utilities and Fixed Costs Used for the School Price Index
FY 1981 to 2001

1983=100	Utilities						Fixed Costs			
Fiscal year	Fuel oil (S8.1)	Elect power (S8.2)	Natural gas (S8.3)	Water and sewerage (S8.4)	Trash collection (S8.5)	Utility total* (S8.0)	Insurance (S9.1)	Rents (S9.2)	Other (S9.3)	Fixed cost total^ (S9.0)
1981.....	99.1	85.4	67.9	81.1	89.5	92.8	89.1	86.5	81.5	87.2
1982.....	107.6	95.9	84.1	91.4	95.5	102.2	95.4	93.6	90.3	94.1
1983.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1984.....	87.8	102.5	106.6	108.3	106.5	94.3	104.5	105.8	108.3	105.4
1985.....	87.3	108.0	106.1	115.4	113.4	96.1	108.8	111.3	117.1	110.8
1986.....	81.6	110.3	102.9	122.3	120.8	93.7	113.8	118.2	123.3	116.2
1987.....	50.5	110.5	89.6	128.8	130.4	75.3	120.6	125.1	128.8	122.7
1988.....	55.9	108.9	79.5	135.7	143.2	78.1	125.5	130.1	137.0	128.4
1989.....	49.5	109.5	77.4	143.1	156.6	75.1	130.6	135.1	147.0	134.6
1990.....	58.0	113.0	82.0	151.9	171.0	82.1	134.2	140.4	159.3	140.3
1991.....	73.3	115.3	80.1	162.0	188.1	92.6	136.9	146.3	169.8	144.9
1992.....	65.2	122.3	79.1	173.8	207.9	90.8	140.1	151.4	175.8	148.9
1993.....	61.7	124.4	80.6	185.7	227.8	90.4	143.9	155.3	184.5	153.8
1994.....	59.1	127.2	84.7	195.7	242.3	90.6	148.7	158.9	190.2	158.8
1995....	56.0	128.8	78.8	205.6	254.3	89.7	154.1	162.8	194.9	163.9
1996.....	56.6	131.7	66.6	212.0	265.1	91.0	159.3	166.8	200.3	169.1
1997.....	69.5	131.6	91.2	220.6	270.3	100.1	163.0	171.2	204.2	172.9
1998.....	64.8	131.7	101.7	226.5	275.3	98.1	167.3	176.2	207.6	177.0
1999.....	48.1	130.4	83.9	234.4	282.1	87.5	166.9	181.9	213.4	178.3
2000.....	56.1	129.1	91.2	239.5	289.9	92.6	169.5	187.6	220.2	182.1
2001.....	93.5	131.5	150.7	245.4	296.5	118.4	173.5	194.4	226.3	186.7
1991.....	26.4%	2.0%	-2.3%	6.6%	10.0%	12.8%	2.0%	4.2%	6.6%	3.3%
1992.....	-11.1%	6.1%	-1.2%	7.3%	10.5%	-1.9%	2.3%	3.5%	3.5%	2.7%
1993.....	-5.4%	1.7%	1.9%	6.8%	9.6%	-0.5%	2.7%	2.6%	4.9%	3.3%
1994.....	-4.2%	2.3%	5.1%	5.4%	6.4%	0.3%	3.3%	2.3%	3.1%	3.2%
1995.....	-5.2%	1.3%	-7.0%	5.1%	5.0%	-1.0%	3.6%	2.5%	2.5%	3.3%
1996.....	1.1%	2.3%	-15.5%	3.1%	4.2%	1.4%	3.4%	2.5%	2.8%	3.2%
1997.....	22.8%	-0.1%	36.9%	4.1%	2.0%	10.0%	2.3%	2.6%	1.9%	2.2%
1998.....	-6.8%	0.1%	11.5%	2.7%	1.8%	-2.0%	2.6%	2.9%	1.7%	2.4%
1999.....	-25.8%	-1.0%	-17.5%	3.5%	2.5%	-10.8%	-0.2%	3.2%	2.8%	0.8%
2000.....	16.6%	-1.0%	8.7%	2.2%	2.8%	5.8%	1.6%	3.1%	3.2%	2.1%
2001.....	66.7%	1.9%	65.2%	2.5%	2.3%	27.9%	2.4%	3.6%	2.8%	2.5%

* Utility total 1983 weighting: 59.3% heating fuel oil + 30.1% electrical power + 4.2% natural gas + 3.8% water and sewerage + 2.6% trash collection.
^ Fixed cost total 1983 weighting: 72.0% insurance + 5.0% rents + 23.0% other.
Sources: See text.

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Comparison of NE CPI and SPI for Alternative Cost Calculation

Year	NE CPI Index	Increase from Previous Year	SPI Index Table 5.1	Increase from Previous Year
1991	142.5		152.3	
1992	147.3	3.4%	158.5	4.1%
1993	151.4	2.8%	162.2	2.3%
1994	155.1	2.4%	167.1	3.0%
1995	159.1	2.6%	170.9	2.3%
1996	163.6	2.8%	177.5	3.9%
1997	167.6	2.4%	182	2.5%
1998	170.0	1.4%	184.9	1.6%
1999	173.5	2.1%	189.5	2.5%
2000	179.4	3.4%	194.2	2.5%
2001	184.4	2.8%	201.8	3.9%

The NE CPI index for all consumer items, not seasonally adjusted is published by the US Bureau of Labor Statistics. The SPI is published by Research Associates of Washington.

Alternative Base Cost for FY04/05

Base cost inflation should be 2 times the annual rate.

Average Annual CPI/ SPI increase over the last 4 years

Year	CPI Increase	SPI Increase
1998	1.4%	1.6%
1999	2.1%	2.5%
2000	3.4%	2.5%
2001	2.8%	3.9%
Annual Average	**2.4%**	**2.6%**
FY02/03 Base Cost	$3,311	$3,311
X 1 plus 2 time annual increase	104.8%	105.2%
Alternative Base Cost for FY04/05	**$3,470**	**$3,483**
Index % Change for 00 plus 01	106.2%	106.4%
Est. for Alternative Base Cost for FY05/06	**$3,685**	**$3,706**

Comparative Data

10 Year Annual Average as shown	2.6%	2.9%

The 2001 SPI index was published in June of 2001. This is probably closer to the 2000 CPI published Jan. 2001.

9 Yr Avg matching 2000 CPI to 2001 SPI	2.6%	2.7%

Table 168.--Current expenditure per pupil in average daily attendance in public elementary and secondary schools, by state: 1959-60 to 1998-99

State or other area	Constant 1998-99 dollars\1\													
	1959-60	1969-70	1979-80	1980-81	1985-86	1989-90	1990-91	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
1	16	17	18	19	20	21	22	23	24	25	26	27	28	29
United States ...	$2,101	$3,554	$4,815	$4,752	$5,679	$6,453	$6,460	$6,446	$6,490	$6,552	$6,546	$6,619	$6,791	$7,013
Alabama	1,350	2,369	3,416	3,770	3,878	4,312	4,456	4,342	4,542	4,819	5,023	5,077	5,255	5,512
Alaska	3,059	4,890	10,020	10,805	12,556	10,926	10,235	10,084	9,995	9,805	9,598	9,420	9,232	9,209
Arizona	2,260	3,137	4,177	4,290	5,045	5,252	5,294	5,206	5,188	5,227	5,176	5,115	5,211	5,235
Arkansas	1,261	2,472	3,337	3,231	4,019	4,516	4,546	4,761	4,817	4,877	5,016	5,012	5,085	5,193
California	\2\ 2,374	3,777	4,806	4,701	5,358	5,690	5,518	5,519	5,538	5,461	5,440	5,606	5,896	6,045
Colorado	2,218	3,214	5,131	5,115	6,010	6,117	6,222	5,933	5,736	5,954	5,880	5,931	6,205	6,386
Connecticut	2,442	4,143	5,129	5,462	7,172	10,156	9,649	9,205	9,534	9,645	9,390	9,217	9,378	9,620
Delaware	2,552	3,921	6,064	5,733	6,971	7,514	7,340	7,243	7,451	7,690	7,739	8,081	8,101	8,336
District of Columbia	2,414	4,436	6,907	6,536	8,070	11,604	11,522	10,875	11,456	10,212	10,186	9,339	9,384	10,611
Florida	1,779	3,190	4,004	4,561	5,337	6,476	6,483	6,135	6,207	6,255	6,277	6,198	6,290	6,443
Georgia	1,419	2,561	3,445	3,245	4,485	5,539	5,487	5,409	5,531	5,681	5,727	5,910	6,164	6,534
Hawaii	1,817	3,661	4,921	4,946	5,756	5,765	6,348	6,586	6,616	6,649	6,445	6,361	6,520	6,648
Idaho	1,622	2,628	3,517	3,525	3,755	3,988	4,161	4,260	4,326	4,605	4,755	4,900	5,099	5,379
Illinois	2,455	3,961	5,482	5,136	5,718	6,632	6,783	6,810	6,632	6,712	6,527	6,790	7,235	7,676
Indiana.....	2,065	3,171	3,990	3,818	4,953	5,969	6,058	6,170	6,336	6,374	6,433	6,839	6,903	7,249
Iowa	2,059	3,677	4,931	5,067	5,473	5,770	5,749	6,069	5,951	5,998	6,147	6,262	6,404	6,548
Kansas	1,947	3,358	4,606	4,861	5,790	6,157	5,989	6,283	6,369	6,364	6,359	6,377	6,517	6,708
Kentucky	1,305	2,375	3,605	3,388	3,759	4,853	5,349	5,625	5,747	5,707	5,906	6,139	6,231	6,412
Louisiana	2,083	2,823	3,798	4,691	4,819	5,058	5,156	5,112	5,086	5,208	5,312	5,385	5,741	6,019
Maine	1,583	3,016	3,865	3,673	5,250	6,963	6,706	7,011	6,829	7,032	6,971	7,123	7,363	7,688
Maryland	2,199	4,000	5,506	5,534	6,724	8,132	8,175	7,865	7,830	7,926	7,862	7,811	7,947	7,865
Massachusetts	2,290	3,742	5,975	5,584	6,899	8,082	7,822	7,651	7,832	7,972	8,108	8,095	8,443	8,750
Michigan	2,325	3,937	5,596	5,768	6,314	7,187	7,228	7,498	7,493	7,652	7,631	7,836	7,851	8,142
Minnesota	2,381	3,936	5,059	5,078	5,958	6,441	6,437	6,412	6,436	6,563	6,563	6,597	6,912	7,159
Mississippi	1,153	2,182	3,526	3,050	3,571	4,009	3,915	3,905	4,119	4,463	4,526	4,465	4,654	4,871
Missouri.....	1,926	3,086	4,104	4,126	4,822	5,840	5,841	5,640	5,755	5,889	5,992	6,029	6,202	6,393
Montana	2,300	3,406	5,249	5,097	6,185	6,138	6,394	6,264	6,299	6,227	6,227	6,328	6,560	6,768
Nebraska	1,887	3,208	4,557	4,529	5,495	6,274	6,190	6,161	6,359	6,493	6,478	6,701	6,698	6,856
Nevada	2,410	3,352	4,426	3,947	5,202	5,335	5,717	5,848	5,685	5,645	5,666	5,737	5,857	5,934
New Hampshire	1,945	3,149	4,061	4,303	5,355	6,873	6,985	6,516	6,441	6,409	6,345	6,457	6,600	6,780
New Jersey	2,170	4,426	6,764	6,181	8,422	10,547	10,759	10,870	10,890	10,693	10,602	10,573	10,410	10,748
New Mexico	2,031	3,080	4,310	4,425	4,831	4,555	4,785	4,700	4,795	5,008	4,885	4,839	5,070	5,363
New York	3,145	5,779	7,338	7,107	9,089	10,447	10,523	10,278	10,325	10,528	10,170	10,000	10,142	10,514

Table 168.--Current expenditure per pupil in average daily attendance in public elementary and secondary schools, by state: 1959-60 to 1998-99

State or other area	Constant 1998-99 dollars\1\													
	1959-60	1969-70	1979-80	1980-81	1985-86	1989-90	1990-91	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
North Carolina	1,329	2,667	3,718	3,801	4,458	5,559	5,588	5,499	5,508	5,554	5,421	5,504	5,765	6,088
North Dakota	2,053	3,004	4,070	4,320	5,267	5,429	5,159	5,307	5,259	5,245	5,303	5,382	5,446	5,820
Ohio	2,044	3,180	4,397	4,375	5,333	6,537	6,444	6,643	6,719	6,741	6,673	6,748	6,925	7,295
Oklahoma	1,744	2,633	4,083	4,176	4,757	4,546	4,722	5,028	5,327	5,301	5,198	5,333	5,482	5,684
Oregon	2,511	4,028	5,705	5,888	6,261	7,094	6,983	7,269	7,048	7,041	7,045	7,033	7,475	7,787
Pennsylvania	2,293	3,841	5,372	5,364	6,540	8,071	8,037	7,954	7,858	7,777	7,978	7,958	7,911	8,026
Rhode Island	2,315	3,882	5,513	5,559	7,058	8,252	7,793	8,010	8,252	8,440	8,452	8,601	8,776	9,049
South Carolina	1,232	2,668	3,713	3,294	4,624	5,289	5,347	5,338	5,358	5,248	5,427	5,562	5,740	6,003
South Dakota	1,942	3,005	4,043	3,782	4,613	4,835	4,871	5,030	5,160	5,224	5,090	5,111	5,372	5,613
Tennessee	1,333	2,466	3,466	3,407	3,950	4,748	4,646	4,610	4,669	4,800	4,843	5,188	5,365	5,521
Texas	1,861	2,719	4,060	3,810	4,987	5,378	5,453	5,392	5,512	5,713	5,829	5,939	6,012	6,161
Utah	1,806	2,728	3,511	3,455	3,614	3,581	3,636	3,671	3,870	3,999	4,119	4,189	4,329	4,478
Vermont	1,926	3,516	4,233	4,700	6,095	8,069	8,279	7,401	7,427	7,384	7,282	7,425	7,630	7,984
Virginia	1,536	3,083	4,175	4,139	5,323	6,054	6,023	5,749	5,749	5,827	5,786	5,879	6,039	6,129
Washington	2,354	3,987	5,443	4,829	5,869	6,093	6,143	6,481	6,471	6,461	6,469	6,401	6,648	6,595
West Virginia	1,447	2,918	4,070	4,076	5,335	5,651	6,034	6,381	6,429	6,681	6,736	6,751	6,897	7,176
Wisconsin	2,313	3,845	5,250	5,201	6,302	7,158	7,214	7,476	7,559	7,582	7,555	7,660	7,813	8,062
Wyoming	2,522	3,728	5,355	5,636	7,733	7,227	6,927	6,722	6,638	6,739	6,649	6,677	6,834	7,393
Outlying areas														
American Samoa	---	---	---	---	2,097	2,472	2,498	1,928	2,009	2,238	2,299	2,478	2,282	2,354
Guam	1,324	3,570	---	---	5,115	5,487	5,647	6,129	5,706	5,557	5,269	5,306	5,378	---
Northern Marianas	---	---	---	---	3,858	3,897	5,436	6,105	5,075	6,698	6,244	7,069	7,137	5,973
Puerto Rico	595	---	---	---	2,003	2,268	2,350	2,729	2,602	3,000	3,236	3,344	3,711	3,771
Virgin Islands	1,516	---	---	---	4,874	8,770	7,375	6,746	6,656	6,567	6,555	6,497	6,875	7,714

---Not available.

\1\Based on the Consumer Price Index, prepared by the Bureau of Labor Statistics, U.S. Department of Labor, adjusted to a school-year basis. These data do not reflect differences in inflation rates from state to state.

\2\Estimated by the National Center for Education Statistics.

NOTE: Beginning in 1980-81, state administration expenditures are excluded. Beginning in 1988-89, extensive changes were made in the data collection procedures. There are discrepancies in average daily attendance reporting practices from state to state. Some data have been revised from previously published figures.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Statistics of State School Systems; and Common Core of Data surveys. (This table was prepared November 2001.)

(4)

Donor Town Impact Under HB 608 at $4.92 per thousand Statewide Property Tax

Town	Difference in Money sent to State	Total Difference including SWPT savings
Alton	$318,127 more	$370,715 less
Bartlett	259,620 less	726,236 less
Bridgewater	64,297 more	82,616 less
Cambridge	11,761 more	6,773 more
Caroll	127,481 less	247,375 less
Center Harbor	105,357 less	357,465 less
Dixville	6,620 more	8,572 less
Dublin	202,796 more	41,474 more
Easton	22,711 more	6,012 less
Errol	8,914 less	43,688 less
Freedom	179,738 more	41,530 less
Grantham	100,674 less	358,761 less
Greenland	92,415 less	Becomes receiving
Hampton	141,856 less	1,891,511 less
Hampton Falls	219,364 less	Becomes receiving
Hanover	57,957 less	1,075,789 less
Hebron	21,424 less	146,391 less
Holderness	169,836 less	465,295 less
Jackson	24,420 less	216,323 less
Lincoln	128,589 less	465,172 less
Meredith	23,473 more	759,328 less
Millsfield	11,650 more	7,398 more
Moultonboro	498,948 less	1,959,970 less
New Castle	66,949 less	423,175 less
New London	383,342 less	856,165 less
Newbury	89,730 less	374,753 less
Newington	469,490 less	873,649 less
North Hampton	310,734 less	875,477 less
Pittsburg	75,104 less	184,388 less
Portsmouth	339,162 more	2,177,603 less
Rye	241,937 less	1,289,348 less
Sandwich	63,633 less	266,481 less
Stoddard	54,563 less	158,237 less
Sugar Hill	23,751 more	49,508 less
Sunapee	132,331 more	345,413 less
Tuftonboro	114,372 less	520,518 less
Waterville Valley	167,841 less	339,063 less
Wolfeboro	70,066 more	711,662 less
Total	$2,588,127 less	18,612,544 less

24 less, 13 more

LBAO, 04/07/2003

HB 608
RECIPIENTS OF TARGETED AID

(5)

City/Town	FY 04	FY 05	FY 06	FY 07
	10,002,044	**15,000,269**	**20,000,000**	**20,001,076**
Acworth	16,394	23,133	29,290	29,527
Albany	2,297	6,245	10,056	9,830
Alexandria	-	-	2,793	1,905
Allenstown	178,969	230,397	276,696	281,008
Alstead	42,704	58,877	73,534	74,346
Antrim	69,348	95,080	118,858	120,151
Ashland	6,052	14,849	23,345	22,843
Barnstead	2,539	23,955	44,967	43,398
Barrington	109,031	161,662	211,188	211,728
Bath	-	1,089	4,954	4,525
Belmont	19,481	55,370	90,028	87,983
Bennington	28,166	39,384	49,739	50,238
Berlin	240,039	317,581	388,288	393,290
Bethlehem	32,061	48,618	64,032	64,034
Boscawen	60,859	85,097	107,472	108,302
Brentwood	-	300	14,078	12,274
Bristol	1,568	16,628	31,407	30,304
Brookline	66,483	103,386	138,113	138,187
Campton	24,635	41,529	57,817	57,492
Canaan	61,388	87,563	111,455	112,150
Candia	5,274	25,737	45,814	44,324
Charlestown	166,779	216,369	260,939	264,510
Chatham	-	-	909	713
Chester	10,464	33,335	55,402	54,093
Chesterfield	848	18,978	37,051	35,708
Claremont	285,287	384,701	475,959	481,297
Colebrook	55,094	73,304	89,873	90,942
Columbia	-	-	1,458	1,008
Concord	222,357	410,439	587,089	581,386
Cornish	10,995	20,535	29,742	29,452
Dalton	11,170	17,150	22,773	22,781
Danbury	4,347	9,863	15,264	14,946
Danville	94,042	129,521	161,968	163,423
Deerfield	25,091	49,764	73,575	72,501
Deering	16,764	27,265	37,136	37,055
Derry	944,716	1,279,821	1,587,153	1,602,539
Dorchester	6,281	9,159	11,839	11,894
Dover	4,333	98,476	190,929	182,529

HB 608
RECIPIENTS OF TARGETED AID

City/Town	FY 04	FY 05	FY 06	FY 07
	10,002,044	**15,000,269**	**20,000,000**	**20,001,076**
Durham	54,676	92,170	127,831	127,596
East Kingston	1,470	11,441	21,383	20,490
Effingham	10,120	17,883	25,371	25,128
Enfield	-	863	16,157	14,189
Epping	101,050	143,848	183,294	184,904
Epsom	27,020	49,876	71,342	70,649
Exeter	236,961	338,759	433,565	436,415
Farmington	192,477	254,151	310,372	314,328
Fitzwilliam	-	-	1,799	588
Franklin	207,410	275,240	337,027	341,514
Fremont	39,568	63,592	86,203	86,000
Gilmanton	-	-	5,635	3,768
Gilsum	8,630	12,997	17,104	17,155
Goffstown	9,164	78,061	145,648	140,597
Gorham	41,530	61,624	80,334	80,533
Goshen	12,829	18,461	23,709	23,870
Grafton	19,280	27,653	35,452	35,689
Greenfield	18,831	29,175	38,906	38,925
Greenville	84,823	108,699	130,235	132,336
Groton	-	1,436	3,734	3,481
Hampstead	82,240	142,596	200,068	198,953
Haverhill	87,158	119,806	149,704	151,008
Henniker	87,947	125,065	159,329	160,301
Hill	1,537	6,671	11,786	11,411
Hillsboro	63,536	98,803	131,990	132,062
Hinsdale	151,139	195,372	235,165	238,620
Hopkinton	-	14,459	40,312	37,479
Jaffrey	45,375	76,491	106,086	105,891
Keene	324,098	459,963	586,605	590,224
Kensington	-	-	4,588	3,330
Kingston	-	27,787	56,302	53,719
Laconia	-	55,535	120,778	114,805
Lancaster	61,622	87,811	111,952	112,661
Langdon	5,669	9,242	12,602	12,575
Lee	131,688	177,468	219,489	221,517
Lempster	14,083	20,727	26,910	27,047
Lisbon	40,353	54,847	68,007	68,817
Litchfield	89,271	145,230	199,162	198,025
Littleton	46,391	80,437	112,856	112,227
Londonderry	265,113	458,166	641,970	638,390
Loudon	6,960	31,331	55,233	53,457
Madbury	49,890	67,102	82,761	83,662
Manchester	1,406,269	2,047,223	2,638,052	2,650,035
Marlborough	28,172	42,196	55,402	55,555
Marlow	6,414	10,844	15,058	14,974

HB 608
RECIPIENTS OF TARGETED AID

City/Town	FY 04	FY 05	FY 06	FY 07
	10,002,044	**15,000,269**	**20,000,000**	**20,001,076**
Middleton	27,722	40,120	51,678	51,903
Milan	29,610	41,546	52,675	53,096
Milford	146,360	236,901	323,127	322,399
Milton	71,807	102,112	129,768	130,882
Mont Vernon	32,087	49,287	65,283	65,505
Nashua	-	136,010	481,165	443,455
Nelson	-	1,500	4,540	4,208
New Boston	-	2,747	21,864	19,402
New Ipswich	86,910	123,222	156,733	157,675
Newmarket	94,581	139,390	181,092	182,019
Newport	175,773	233,870	286,289	290,164
Newton	47,395	76,915	105,362	105,132
Northfield	124,847	166,945	205,215	207,767
Northumberland	71,148	94,715	116,160	117,759
Northwood	23,134	47,252	70,848	69,795
Orange	6,524	8,992	11,274	11,376
Ossipee	30,370	55,493	79,718	78,944
Pelham	-	-	7,562	667
Pembroke	108,284	157,311	202,960	203,895
Penacook	86,402	119,847	150,454	151,854
Peterborough	42,571	77,144	110,473	109,404
Piermont	2,093	5,611	9,006	8,805
Pittsfield	154,741	199,833	240,148	243,560
Plymouth	119,166	157,259	192,271	194,748
Raymond	172,748	248,584	319,252	321,417
Richmond	18,367	26,550	34,179	34,327
Rochester	435,691	625,477	800,526	805,787
Rollinsford	-	3,471	12,281	11,318
Rumney	-	1,565	7,480	6,717
Sandown	72,629	113,567	152,537	152,146
Somersworth	169,812	241,743	309,486	311,468
Springfield	-	-	2,980	2,388
Stewartstown	-	2,993	6,644	6,310
Strafford	38,059	65,773	91,796	91,285
Stratford	4,191	8,675	12,944	12,751
Sullivan	8,794	12,960	16,838	16,924
Swanzey	172,329	232,711	288,067	290,811
Tamworth	9,141	21,285	32,848	32,333
Temple	3,922	10,978	17,791	17,389
Thornton	-	-	6,771	5,782
Troy	63,109	83,412	101,744	103,052
Unity	11,267	18,324	25,047	24,904
Walpole	14,902	33,775	51,738	50,935
Warner	24,624	40,766	55,952	55,634
Warren	24,458	32,685	40,174	40,589

HB 608
RECIPIENTS OF TARGETED AID

City/Town	FY 04	FY 05	FY 06	FY 07
	10,002,044	**15,000,269**	**20,000,000**	**20,001,076**
Weare	185,931	262,592	333,315	336,077
Wentworth	17,110	24,258	30,921	31,111
Westmoreland	9,435	18,231	26,607	26,224
Whitefield	36,699	51,880	65,887	66,276
Wilmot	13,234	21,082	28,465	28,396
Winchester	127,448	166,648	201,815	204,796
Total	10,002,044	15,000,269	20,000,000	20,001,076

Date: May 7, 2003
Time: 5:40 PM
Room: State House, Room 105-A

The Senate Committee on Education held a hearing on the following:

HB 608-FN-L (New Title) reducing the education property tax rate and relative to the calculation of adequate education grants.

Members of Committee present: Senator O'Hearn
Senator Johnson
Senator Foster
Senator Larsen

The Chair, Senator Jane E. O'Hearn, opened the recessed hearing on HB 608.

Senator Theodore L. Gatsas, D. 16: Good afternoon.

Senator Jane E. O'Hearn, D. 12: Do we have all new numbers today?

Senator Theodore L. Gatsas, D. 16: Senator, we have everything that you want today.

Senator Jane E. O'Hearn, D. 12: Welcome to Education.

Senator Theodore L. Gatsas, D. 16: Thank you, Madam Chairman and members of the Committee. Let me first tell you the reason why I started looking at a new education funding formula. As a freshman Senator two years ago, I came here and I attempted to learn the education funding formula. After four months of being a Senator, I had the pleasure of being assigned to the Adequacy Commission. Senator O'Hearn was the Chairman there and Senator Johnson was there, and Senator Clegg, along with Representative Kurk and Representative Hess. I learned more there than I could possibly learn anywhere else. I learned that, at one time we set a base rate on students with thirty-seven communities.

However, to sit down at Dunkin' Donuts over a cup of coffee when somebody asks you the question, how do we fund education in the State of New Hampshire, there weren't enough beans in Columbia to continue serving the coffee for us to get through that.

So, with that said, I come before you today to introduce an amendment that represents a solid school funding plan that will stabilize the cost of education to the State and to the local municipalities while preserving local control. **Please see Amendment #2003-1531s, attached hereto and referred to as Attachment #1.** This foundation is based upon a municipality's ability to raise revenue. I think that everything that I've heard up here is that we need to take care of the communities that can't raise enough money to fund their education plans.

This amendment will eliminate donor towns and put an end to the destructive and dividing culture of the haves and have-nots. You will accomplish the goal that many in both chambers have opted, efficiently targeting the most aid to those communities that have the lowest property tax base.

It will lower the statewide property tax to $4.87 for '04 from $5.80 and replace it with the Enhanced education tax at $3.50 for 2005 fiscal year.

This amendment will establish a new procedure for determining the statewide cost of an adequate education. Beginning July 1, 2005, it will formally establish a new education funding formula for municipalities.

All cost increases for future years will be tied to the enrollment growth, property evaluation and Consumer Price Index, as they should be, rather than to some arbitrary system that is not only unfair but next to impossible to explain or understand.

This new plan will prevent costs and tax rates from skyrocketing out of control like our current formula.

There are three main components of this plan. The first component is the local tax equalization. This plan begins by using the equalized evaluation figures, including utilities, and the state average rate for local costs. It calculates the per pupil amount a municipality can raise and compares it to the state average. The plan will provide aid only if the municipality is below the average. If the municipality falls below the average, it will be allocated enough aid to bring it to the revenue per pupil up to the state average. For example, if the state average evaluation per pupil is $3,600 and the local evaluation per pupil is $1,600, then the difference would be multiplied with the number of pupils in that community for targeted aid.

The second component is also targeted pupil aid. Targeted pupil aid will be allocated to all municipalities, except those with a low equalized evaluation

per pupil greater than twice the state average. You then multiply the resulting state average evaluation per pupil by the education ADMR, by the district's free and reduced lunch ADMR, and the ESL count. You then add 100% of regular elementary transportation costs for grades K through 8.

The third component is the Enhanced education tax. In order to calculate this tax, you begin with equalized evaluation without utilities. This tax rate of $3.50 has been on the books in the State of New Hampshire since 1919. So it's not a new tax. It's a tax that we've looked at and we repealed, I believe, in 1999 to institute the statewide property tax at a $6.60 level. This tax will completely replace the existing statewide property tax by instituting a tax rate of $3.50, which will be $1.37 per thousand lower than the fiscal year '04 statewide property tax. The Enhanced education tax revenue remains local and that's the way we eliminate donor towns.

You must spend first your Enhanced education tax for local education before you can raise a local property tax dollar for education. That must be spent first. If you don't spend the entire amount, you must send it back to the state, whatever the balance be.

Of course, by now you are all talking and asking yourselves, how does this affect my hometown and the remainder of my district? Well, Senator, we will now pass out the spreadsheets because I know, if I had passed them out at the beginning, hardly anybody would have been listening to anything I was saying and they would be looking to see what happens to their local community.

Is Ted there? Here's a Christmas present for you.

As I hope that you can see, this amendment will go a long way towards providing critical education funding dollars while at the same time insuring fiscal solvency of our State. Most importantly, it sets up a fair and balanced system based on sound fiscal policy that will get our State back onto solid financial ground. If signed into law, we can, once and for all, have a permanent solution to the education funding crisis that we have faced for the last six years.

I think what you will find with the spreadsheets that I passed out, Senator, is I have attempted to make transparent the formula that I sat down with a calculator, not a computer, and for six months continued to just run numbers and tapes, called and asked questions of the Department of Education, and had the LBA run numerous spreadsheets, continually looking at what we in the State can create for a new formula.

I think that the most important issue that we can look at is that when I sat down, and if you look at the '05 sheet, I attempted to create a formula from left to right and not ask the question, what do we want to spend? That was the last thing in my mind. I wanted to find something that would at least create a balance to get more money to the communities that needed it, to eliminate the donor towns, and take money away from the wealthy communities. My belief is that, if this formula was before us six years ago, we wouldn't be in the situation we're at today. Today, it is more important not to understand how the formula works, but it is more important to see what happens to my community and I think that's wrong. I think we have to sit down as a whole body, understand where we are going with education. I think certainly children and education are paramount in this State.

So, saying that, I will run through the formula on a very quick basis and let you address... Before I go through the formula, let me tell what you some of the sheets are that you have before you. One, you have the formula for '05 and you have the comparison because everybody wants to know, "what happens to my grant in '05 versus what I got in '04?" So, that shows you a comparison. Any community, because of the reduction from the statewide property tax of $4.87 for the Enhanced education tax of $3.50, that's a difference of $1.37.

There are some communities that will have to raise their local property tax to get to the grant amount that they received in '04. Any community that has to raise less than $1.37, obviously breaks even or wins. You will find that there are twenty-five communities that have to raise more than $1.37 in the State to get even to where they were. But, I think that you will realize that most of those communities are the property rich communities.

So, I think, as I said, if this formula was in place, and to give you an example, if we look at Amherst, that they probably would have been thrilled to death to have gotten a grant of $1.9 million if this plan went into effect six years ago. However, their grant for '04 and stabilization is $4.4 million. I don't think anybody can agree that that's right.

We look at Allenstown and we all sit and say, how do we get more money to the property poor towns and Allenstown is certainly a property poor town. The grant that they receive in '04 would be $2.9 million. The grant that they would receive under this formula is $3.7 million, along with a reduction of their local property tax of $4.23.

I have done these calculations for years '06, '07, '08 and '09 with comparisons. Where this formula is based on equalized valuations, you will see that, in '07, and I attempted to take the evaluation growth so that they would all be

consistent in the plans that we were looking at, and increased those by 4%, I believe, or 6% in '06 and, in '07 there was a 4% growth and then you will see, because I believe at some point, the real estate market and the evaluation has to have a turn down. In '07 it shows you a comparison and a reduction of 7% growth so that we can see what happens if there is a change in evaluation.

The total grant amount grows by CPI from one year to the next. The number that is used in this formula is 2.4%.

When you look at the formula in '05, the number of home schoolers into the estimated valuation, with utilities, gives you an equalized evaluation per pupil of $535,000. The next number that you see next to the 535 is $727 million. That number is the actual amount that was raised and spent by communities with their local property tax dollars. That number, divided by the estimated equalized evaluation, by a thousand, gives you a rate of $6.80. We used that rate to supply us with an evaluation per pupil. We take equalized evaluation per pupil, divide it by a thousand, times $6.80. That gives us an evaluation per pupil of $36.41.

We do that same calculation for all the communities, as you see below, and let's use Allenstown for an example. The number of students in Allenstown into the equalized evaluation means that Allenstown can raise $227,000 per pupil. Divided by a thousand, multiplied by the average tax rate, says that Allenstown can raise $1,546 per pupil at the local level. That amount, subtracted from the state average, brings you targeted aid of $1.7 million to Allenstown.

You will see that some of the communities that are above the State average receive no targeted aid. Communities that fall below the State average receive targeted aid to get them to the State average.

The next column, H, is equalization without utilities as we have always figured the statewide property tax we are going to continue to use that figure for the Enhanced education tax at $3.50. We go through the same procedure using the ADMR and the equalized evaluation. We have $520,000 per pupil, divided by a thousand, times $3.50 is a base rate of $1,820 per pupil. We then again target. Allenstown, again, can only raise $786 by this targeting method. They would receive targeted aid of $856,000.

We then use the current formula for special ed and, instead of the formula for free and reduced that Senator Below brought to us last year, we go back to the original formula that allows for every free and reduced lunch child to receive a weight. The weights for special ed, free and reduced, and ESL have

the same base cost of $36.41 that is in column F. So, the targeting formula gives us a weight of one without any discounting or anything else.

The transportation is based on K through 8 without special ed, as 608 does, and none of the other frills, but it pays it 100%.

The total grant amount of $436 million. For a second, let's go back to the local, column E and, next to it, column D. If you have the ability to raise twice as much as the state average, you would receive no special ed funds, no free and reduced funds, no transportation, no targeted aid, no ESL. You would only raise and retain locally your Enhanced education tax and that must be spent first before you could spend or raise one local tax dollar. So, you will see that with the amount of communities that are there, if you go to Alton and you compare Alton to the amount of money that they were a donor community for in '04, they now don't receive any grants and they receive no free and reduced, and they are no longer a donor community because they receive, or they get to keep $2.9 million of the Enhanced education tax that they must spend at the local level.

Let's talk about the Enhanced education tax first in the donor communities. If every community spent what they spent in '02 for education, there would only be four communities that would have to send money back, excuse me, five, those being Newcastle, Newington, Moultonborough and Waterville. The amount of money that they would have to send back, if they spent no more locally, would be about $2 million. If Moultonborough spent an additional $700 per pupil, that would be $500,000 that would be eliminated from being sent back. Newcastle and Waterville Valley, I think, would have to provide limousine transportation back and forth to schools to eliminate money coming back to the State, but each one of those four is about $500,000.

With that said, and having some sort of idea of maybe how this formula works and certainly I would say that it is certainly a lot simpler on its face than the formula that we are currently using. I think that looking at it, I think you could probably sit down after one cup of coffee and explain it to somebody and at least have them understand, at least in what universe we have funding of education being paid in.

Senator Richard Green, D. 6: Is that Irish coffee?

Senator Theodore L. Gatsas, D. 16: That could be Irish coffee; it could be Greek coffee. With that, I would entertain any questions.

Senator Jane E. O'Hearn, D. 12: Questions from the Committee? Senator Foster?

Senator Joseph A. Foster, D. 13: Thank you. Both your plan and the coalition community plan result in a lot of targeting to communities where you would expect them to get money, at least when the coalition community does it sooner, which I think is a good thing. But, one of the things that we want to make sure is that any plan we throw out there is constitutional and so forth. I am trying to understand sort of the starting point for the targeting that you do. What I think I hear you say is that you total up what the local communities actually raised.

Senator Theodore L. Gatsas, D. 16: What they have actually spent.

Senator Joseph A. Foster, D. 13: Actually spent, excuse me, locally. Based on the local property tax in the communities statewide and I know I have asked you this question before in discussions. What I am trying to understand is why do you view that as a relevant number as a starting point when we know that many of these communities get grants which probably means they are raising less 'cause they don't have to raise as much. The statewide property tax is sitting on top of that and perhaps also they are getting federal dollars. So, the starting point, you are saying this is what they are actually raising. I am trying to think, if a court or a judge were to ask you, what does that mean, what do you view it as meaning? It seems to me it is a result of maybe the crazy system we have right today is what they happen to raise. If you took it in '99, then I think it would mean more to me or before this current system went into effect.

Senator Theodore L. Gatsas, D. 16: Senator, I agree with you. If we had this current system in '99 with no other system to compare it to, it would make sense that we would use local spending as a barometer of how to set up our formula going forward because that number can increase by any percentage and it really doesn't matter as evaluation. This formula allows growth without it being inhibited because we are growing the last number, not the first one. So, the stopgap that we have is the targeted aid portion in column L. That's the first one to move in a downward situation if the others grow at a much faster accelerated situation.

Senator Joseph A. Foster, D. 13: I'm not sure I understand. Why don't you tell me what you mean when you say...?

Senator Theodore L. Gatsas, D. 16: Let's assume that next year local spending goes up by 30%. That's probably too high. Let's use 15%. That number is computed in there, and if evaluations go up 15%, we are developing a base cost per student. That base cost is probably going to go up much higher than the $36.41. So, that merely sets our platform or our base

to go forward. It really doesn't have a lot of relevancy as to why it is there. It is a number that was used to develop the formula going forward with a base cost. If we use the entire amount of local spending, it would just reduce the targeted aid amount because the equalized tax rate would be at a lower level. But, the federal grants are there and they have been coming to a community which doesn't affect local spending. They are going to raise those dollars. Most of that Title I money is coming in for different reasons. The building aid is gonna happen. So, to figure those into the equation is difficult, but I agree with you. When you look at the spending pattern that has happened in the State, I believe in the first year, it went from $500 some odd million to $680 million because the grant came home and it was spent. That increased the spending. I think, at this point, communities have some control of spending because it spiraled in the last three years because of the grants and the statewide property tax coming home for communities to spend.

Senator Joseph A. Foster, D. 13: You defer a lot of questions on the constitutionality of the coalition community's plan and Attorney

Tape change.

...and Attorney Gross's response to that. There has been a sense, I guess, at least since I've been gone from the Legislature, that we need to put a cost on an adequate education and then we need to at least raise that much with an equalized tax and a uniform tax community to community. Do we do that in here or do you have the sort of response that Attorney Gross said, which is that we are targeting money now and this is so different than any plan that has gone up that it is not subject to constitutional challenge?

Senator Theodore L. Gatsas, D. 16: I think this plan has two different factors than what the current plan has in place. One, it has very strong targeted aid and it gets money to the communities that need it. Two, it just takes that God awful name of the statewide property tax and makes it, changes it to an enhanced education tax and changes that rate from the 580 to $3.50. So, if we are under constitutional bounds by a 580 rate, then we are under constitutional bounds by a 350 rate on a fairer, more equitable system of getting the money to the communities that need it.

Senator Joseph A. Foster, D. 13: Follow up? So, are you saying that the 350 rate is the tax that is the state tax which funds an adequate education in and of itself?

Senator Theodore L. Gatsas, D. 16: I don't think that that's at all what I said because I don't think the 580 rate today funds an adequate education in itself.

Senator Joseph A. Foster, D. 13: You say the current system is unconstitutional because we don't raise adequate?

Senator Theodore L. Gatsas, D. 16: I think that the Court found, and I'm certainly not going to sit here as a legal person or a judge, to tell you that the current system is unconstitutional or not. I'm saying that the constitutionality of the current system, if we had been using it and it is constitutional, then this follows the same muster, just with a different rate.

Senator Joseph A. Foster, D. 13: I will turn it over to someone else.

Senator Jane E. O'Hearn, D. 12: Senator Larsen?

Senator Sylvia B. Larsen, D. 15: The hour is late, so the thinking gets perhaps less, or the questions get less...

Senator Theodore L. Gatsas, D. 16: Even with the late hour, Senator Larsen, I know your thinking is always very effective.

Senator Sylvia B. Larsen, D. 15: The recent report from the policy that analyzed HB 608 and 717 analyzed the two school funding plans that were presented. Basically, the grant amounts that you are proposing are about $411 million in '04, total. And, under HB 608, the House proposal is $411,096. It is about the same grants going out. The analysis of both of those two says that by 2016 under either of the proposed systems, the State would pay for 11% of the schools while keeping the current system would cover 21% of school costs. Given that we have a constitutional requirement, the State's responsibility to fund education, how would we think down to 11% of school costs? Are we gonna say that we are paying...?

Senator Theodore L. Gatsas, D. 16: I'm glad you asked that question, Senator, 'cause I bring you to the sheet that basically at the top says "Stabilization Formula Enhanced education tax".

Senator Sylvia B. Larsen, D. 15: I'm sorry. That's the one that shows...

Senator Theodore L. Gatsas, D. 16: That's the one that shows you current law for '03, current law for '04 if nothing changes, stabilization formula that reduces the tax rate to 487 and then the enhanced education tax for '05. It shows you those three columns. I guess I could stand before you and say that the State is spending more on education in its $955 million in '04, current law, than it was in '03.

But, I think the two most important columns there is to see what the actual expenditure from the State is. It goes from $411 million to $397 million. So, if we want to use an inflated tax rate to say we as a state are sending out more money and make ourselves feel good about it, then I guess we can do that.

I think the more appropriate position to take, instead of saying what is the number that we're going to send out, being less money, but sending out more money, because in '05, we send out $436 million in this formula. I don't know what current law would do in '05, but my sense is that, because evaluation is going up, that the grant amount is going to decline. So, the actual dollars coming from the State, hard dollars from the State's pockets, are less than what they would be in the amended form.

Senator Sylvia B. Larsen, D. 15: That assumes that we didn't do anything to change what everyone knows we need to do, which is lower the statewide property tax rate. If we were to lower it, as we should, to 492, at least to 492, then if we kept the current law and lowered the statewide property tax rate to 492, kept the current funding formula for education, the grants going out would equal $482 million. So, your assumption that we keep it at 508 causes the grants to look low. But, if we factored in a column that said, under that same spreadsheet you gave us in '04, current law lowered the statewide property tax rate to 492 and we kept the current funding program as it is which many school districts, I think, have calculated their budgets on, then the grant distribution totals would equal $482 million versus the '04 calculation you have of $411. So, we are reducing total expenditures going out to the schools and presumably that gets picked up by the local property taxpayer.

Senator Theodore L. Gatsas, D. 16: But, I don't think current law, as it stands, has that amendment in it.

Senator Sylvia B. Larsen, D. 15: No. We would have to take action to lower the statewide property tax.

Senator Theodore L. Gatsas, D. 16: Correct.

Senator Jane E. O'Hearn, D. 12: Further questions? Senator Foster?

Senator Joseph A. Foster, D. 13: You said that the grants are going to increase by the cost of living or whatever it is in the area. Is there also something in the bill that takes into account growth in the State on top of that, the numbers of students and so forth?

Senator Theodore L. Gatsas, D. 16: You will see that, if you look at the '06 calculations, we increased the student count by 1%. We increased the local spending by 5% and evaluation goes up 6%. So, those are taken into consideration.

Senator Joseph A. Foster, D. 13: And will the amount of the grant then increase by CPI plus. Is there an additional cap other than just CPI?

Senator Theodore L. Gatsas, D. 16: CPI is what caps the grant.

Senator Joseph A. Foster, D. 13: Okay. Maybe I didn't ask my question right. Are we saying that, if statewide there is a 3% inflation factor, but the student count grew 5% somehow, that 5% factor wouldn't be built in on top of the CPI?

Senator Theodore L. Gatsas, D. 16: I think maybe the best way to look at it is you look at the '06 plan and you look at column L. Next to it is column L-1. When you build a formula from left to right, if you had no cap on CPI, your formula would grow by an additional $14 million.

Senator Joseph A. Foster, D. 13: Between 62 and 48?

Senator Theodore L. Gatsas, D. 16: Correct.

Senator Joseph A. Foster, D. 13: Okay.

Senator Theodore L. Gatsas, D. 16: So, when you look at that formula, the difference is that, when you cap it, the last thing that moves is the targeted aid final. If you look at the number, that number proportionately is distributed to communities. Instead of the 62, it is distributed at the 48 factor because your student count goes up, your equalized pupil value goes up and your base cost goes up to 3782. So, nowhere did we decrease the base cost for special ed, free and reduced, or ESL. We let those grow and said that the targeted aid coming back, because the enhanced education tax at that point goes to 330, we deducted that from the far end being the targeted amount.

Senator Jane E. O'Hearn, D. 12: Further questions? Senator Larsen?

Senator Sylvia B. Larsen, D. 15: Go back. We had an earlier discussion among ourselves, but I thought we ought to have a full discussion on column E in the '05 chart for example, because one of your measures is the local average education tax statewide. You are measuring the actual amount raised by communities after they receive a state grant. Correct?

Senator Theodore L. Gatsas, D. 16: No. Before.

Senator Sylvia B. Larsen, D. 15: Before.

Senator Theodore L. Gatsas, D. 16: When you say after, after that is what they would raise locally, at the local level. That is correct. After their grants.

Senator Sylvia B. Larsen, D. 15: But you are measuring local effort after state grants went into effect?

Senator Theodore L. Gatsas, D. 16: That is correct.

Senator Sylvia B. Larsen, D. 15: And you are saying, what are you saying that's a measure of?

Senator Theodore L. Gatsas, D. 16: That's merely a portion of the calculation to get a base cost per pupil of the 3641.

Senator Sylvia B. Larsen, D. 15: And, was it your assumption that that number reflected the effort that a community needed to make to reach an adequate education?

Senator Theodore L. Gatsas, D. 16: No. That was the effort to get targeted aid to a community.

Senator Sylvia B. Larsen, D. 15: And, I wonder how that relates to using it as a basis for reaching the total adequate education.

Senator Theodore L. Gatsas, D. 16: Senator, I can tell you that that number was calculated every which way but Sunday so that, to accomplish the goals that I believe are paramount, to get more aid to communities that need it, to get rid of the donor communities so that there is less fighting on who is getting the money and why they're getting the money, so that we can talk about education in a different realm.

So, that number of 350 that just happened to surface, being the tax rate since 1919, was a number that magically got rid of almost 100% of the donor communities. That number you could have taken and tacked it on top of the total spending and eliminated the targeting aid and gone forward. That was attempted. The problem is that that didn't get rid of your donor communities.

This formula here gets targeted aid to the communities that need it, gets rid of the donor communities, and takes money away from the wealthy communities. I think if that clean sheet of paper were used six years ago, I think even you would have agreed that this made the most sense because I never looked, as everybody did six years ago, and say, okay, it's 825, that's what we've got to spend, so let's discount to .93 to get to that number. That's not what this formula did. In no way does it look at any number and say we have to fix it 'cause we are spending too much.

For some reason, it works out that we are spending more money than we already are in '04 by some $25 million, but there is no hold harmless because I believe that as soon as you start talking about hold harmless clauses, you have written a formula that doesn't make sense and you're just trying to appease people as you go through it.

Senator Jane E. O'Hearn, D. 12: You have three weights. Do any of the kids fit into all three of the weights so that we could have a triple weighted kid?

Senator Theodore L. Gatsas, D. 16: Senator, I think you could have triple weighted kids in the program we have today. I think that it is certainly paramount that we as a state, when we start distributing the aid of $900 million to communities, that we have an opportunity to do some audits. When I see that a community in Manchester, when you start looking at the current base formulas, if their student count changes by 1%, and 1% when you are talking about fourteen thousand students is only a hundred and forty kids, affects the cost that we as a state are paying for education. I'm not saying that they do it intentionally, but it could be a mistake as has happened in other communities. If they make an error in the total amount of spending at the elementary level, that can even kick out the number at a larger amount because that increases the base cost that you would calculate for some two hundred thousand students.

So, when you look at seven communities to make up a baseline, I think that's wrong. I think that when you talk about weighting, I agree with you. I think you and I have had this conversation because free and reduced, when I first looked at it and I saw that we as a state were sending out $60 million for free and reduced lunch, it amazed me because I thought free and reduced lunch, when I first came here, was feeding kids breakfast and lunch. I just thought it was a poor term. Then I started dividing the number and I said, "My God, all those kids are going to look like me because it's a $10 breakfast and a $10 lunch. That's awful expensive."

So, are there triple weightings? There could be. I can't tell you that there aren't. But again, I only went on the premise of what the current formula is so that we could go forward with something that is in existence and, if we wanted to change that or tweak it because we found that there was abuse, then I would agree with you that we should do that.

Senator Jane E. O'Hearn, D. 12: So, we are giving $97.4 million in targeted aid to sped, $106.7 million to free and reduced, and $11.4 million to ESL?

Senator Theodore L. Gatsas, D. 16: That is correct.

Senator Jane E. O'Hearn, D. 12: Another question I had, I can't remember now, but it was either 717 or 608 there was a concern from the Department of Ed on catastrophic aid and transportation and I'm not sure if this has been a problem with transportation or catastrophic aid. Is there a problem with the way the bill is written?

Ms. Fellows: Same thing.

Senator Jane E. O'Hearn, D. 12: Same thing. So, that needs to be amended to address. We pay for catastrophic aid piece in one of the bills had to be amended in order to deal with the cost of transportation for sped kids.

Ms. Fellows: All three plans that we have heard so far all have the same issue.

Senator Jane E. O'Hearn, D. 12: Okay. So, that's one question that we know has to be amended. Another concern of mine is there should be some control on the cost of transportation because we are paying a total of $30 million in transportation.

Senator Theodore L. Gatsas, D. 16: That's correct.

Senator Jane E. O'Hearn, D. 12: And, if K through 8 total cost.

Senator Theodore L. Gatsas, D. 16: No. K through 8, without athletics, without sped.

Senator Jane E. O'Hearn, D. 12: To and from school.

Senator Theodore L. Gatsas, D. 16: To and from school.

Senator Jane E. O'Hearn, D. 12: Which means school districts could put on four more buses or ten more buses.

Senator Theodore L. Gatsas, D. 16: Senator, again, I think that comes back...

Senator Jane E. O'Hearn, D. 12: And, that creates the audit.

Senator Theodore L. Gatsas, D. 16: I think that is where the audit starts talking.

Senator Jane E. O'Hearn, D. 12: One final question. The courts told us to define what an adequate education is and to fund it. I think we have completed the definition by finishing the accountability bill if that makes it through the House. Did we lose the beginning part? Do we now have a definition of what an adequate education is in the beginning? How would you define an adequate education?

Senator Theodore L. Gatsas, D. 16: I think the definition of an adequate education, from a layman's point of view, not from an attorney's point of view, and not from a judge's point of view, is looking and seeing what is fair and equitable for every community and every child in the State of New Hampshire. If you can look and see and say that you are applying a fair and equitable formula to both the communities and the children in the State of New Hampshire for education, I think you have delivered an adequate education.

Senator Jane E. O'Hearn, D. 12: Any other questions?

Senator Joseph A. Foster, D. 13: I just wanted to ask one more. I want more information about what Senator Larsen was saying. The 3641 you have in column F that I have been asking about, is it possible the reason that number comes out to be 3641 is because what we are funding right now with the statewide property tax is 33. What's the number?

Senator Theodore L. Gatsas, D. 16: 3311. Discounted from 36. Senator, I would love to tell you...

Senator Joseph A. Foster, D. 13: Let me just finish my question and then I will let you answer. So, you add those two numbers together and this may be wrong, but in 717 they say that the average spending statewide is 6738. Might it be why those two numbers add up, because isn't the 3641 just a net of what the State is providing as an adequate education today that those numbers come up pretty darn close?

Senator Theodore L. Gatsas, D. 16: Well, I think the number, when you look at the 3641, I think the scarier thing is that that is pretty close to the undiscounted base cost today per child, which is 36 and change. When you add the .93 discounting to it, it brings it to 3311. I can't tell you why that happens, it just happens. I think that, when you look at that number and you add the 1820 on the targeted side with the enhanced education tax, that brings you to somewhere around 5660. So, those numbers I can't tell you. I sat there and it happened. How it happened? I can't tell you how it happened.

Senator Joseph A. Foster, D. 13: I guess my point is, aren't the local communities raising an amount to get to 6738 statewide on average? They are just raising what the State is not giving them right now and that's really what your baseline is.

By the way, I understand that the statewide property tax is a recycled tax. There were property taxes there and that's what we said, to fund an adequate education there are some grants for some local communities. On top of that, they are raising 3641 and that gets to what actual cost really is statewide. So, what you're measuring as the net of what the State has said is an adequate education because of what the local communities are raising?

Senator Theodore L. Gatsas, D. 16: That's probably the simpler way of saying it. Not something... I appreciate your insight because I would have never figured it that way.

Senator Jane E. O'Hearn, D. 12: Further questions? Thank you, Senator Gatsas. Thanks for all your work. With that, I will close the hearing on HB 608.

Hearing concluded at 6:25 p.m.

Respectfully submitted,

L Gail Brown

Recorded by Merideth Chandler
Transcribed by L. Gail Brown
7/29/03

1 Attachment

Attachment #1

Sen. Gatsas, Dist. 16
Sen. Kenney, Dist. 3
Sen. Green, Dist. 6
Sen. O'Hearn, Dist. 12
Sen. Barnes, Dist. 17
Sen. Martel, Dist. 18
Sen. Sapareto, Dist. 19
Sen. Morse, Dist. 22
May 7, 2003
2003-1531s
04/10

Draft Amendment

Amend the title of the bill by replacing it with the following:

AN ACT relative to the funding of public education.

Amend the bill by replacing all after the enacting clause with the following:

1 Education Property Tax; Rate Reduced. Amend RSA 76:3 to read as follows:

76:3 Education Property Tax. An annual education property tax at the uniform rate of [~~$5.80~~] ***$4.87*** on each $1000 of the value of taxable property is hereby imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F.

2 Enhanced Education Tax. RSA 76:3 is repealed and reenacted to read as follows:

76:3 Enhanced Education Tax. An annual enhanced education tax at the uniform rate of $3.50 on each $1,000 of the value of taxable property is hereby imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F.

3 Enhanced Education Tax. RSA 76:3 is repealed and reenacted to read as follows:

76:3 Enhanced Education Tax. Beginning July 1, 2005, and every fiscal year thereafter, the enhanced education tax rate shall be determined in accordance with the calculation set forth in RSA 198:40-b, and such rate shall be imposed on all persons and property taxable pursuant to RSA 72 and RSA 73, except property subject to tax under RSA 82 and RSA 83-F. The commissioner of the department of revenue administration shall set the rate which shall be effective for the fiscal year in which the calculation is made.

4 Assessment; Commissioner's Warrant; Commissioner's Report. Amend RSA 76:8 and 76:9 to read as follows:

76:8 Commissioner's Warrant.

I. The commissioner of revenue administration shall annually calculate the proportion of ***enhanced*** education [~~property~~] tax to be raised by each municipality by multiplying the uniform

education property tax rate by the total equalized value of all property in the municipality as determined under RSA 21-J:3, XIII for the preceding year, except property taxable under RSA 82 or RSA 83-F.

II. The commissioner shall issue a warrant under the commissioner's hand and official seal for the amount computed in paragraph I to the selectmen or assessors of each municipality by December 15 directing them to assess such sum and pay it to the municipality for the use of the school district or districts and, if there is an excess ***enhanced*** education tax payment due pursuant to RSA 198:46, directing them to assess the amount of the excess payment and pay it to the department of revenue administration for deposit in the education trust fund. Such sums shall be assessed at such times as may be prescribed for other taxes assessed by such selectmen or assessors of the municipality.

III. Municipalities are authorized to assess local property taxes necessary to fund school district appropriations not funded by the ***enhanced*** education [~~property~~] tax, by distributions from the education trust fund under RSA 198:39, or by other revenue sources.

76:9 Commissioner's Report. The commissioner of revenue administration shall report to the governor, the speaker of the house of representatives, the president of the senate, and the commissioner of education each year on or before October 1, a statement of the ***enhanced*** education [~~property~~] tax warrants to be issued for the tax year commencing April 1 of the succeeding year.

5 Utility Property Tax; Exemption. Amend RSA 83-F:9 to read as follows:

83-F:9 Exemption From [~~State~~] ***Enhanced*** Education [~~Property~~] Tax. Persons and property subject to taxation under this chapter shall not be subject to tax under RSA 76:3; provided, however, that nothing in this chapter shall be construed to exempt such persons or property from local school, municipal, district, or county taxation under RSA 76.

6 School Money; Education Trust Fund. Amend the introductory paragraph of RSA 198:39, I to read as follows:

I. The state treasurer shall establish an education trust fund in the treasury. Moneys in such fund shall not be used for any purpose other than to distribute adequate education grants to municipalities' school districts pursuant to RSA 198:42, and to provide ***enhanced*** education [~~property~~] tax hardship relief under RSA 198:55. The state treasurer shall deposit into this fund immediately upon receipt:

7 School Money; Education Trust Fund. Amend RSA 198:39, I(g) to read as follows:

(g) The full amount of excess ***enhanced*** education [~~property~~] tax payments from the department of revenue administration pursuant to RSA 198:46.

8 State Aid for Educational Adequacy; Definitions. RSA 198:38 is repealed and reenacted to read as follows:

198:38 Definitions. In this subdivision:

I. "Municipality" means a city, town, or unincorporated place.

II. "School district" means school district as defined in RSA 194:1 or RSA 195:1.

III. "Elementary school" means a school with any of the grades kindergarten through 8.

IV. "High school" means a school with any of the grades 9 through 12.

V. "Department" means the department of education.

VI. "Educationally disabled child" or "educationally disabled pupil" means an educationally disabled child as defined in RSA 186-C:2, I.

VII. "Average daily membership in attendance" means average daily membership in attendance as defined in RSA 189:1-d, III.

VIII. "Average daily membership in residence" and "resident pupils" mean the average daily membership in residence as defined in RSA 189:1-d, IV, except that no kindergarten pupil shall count as more than 1/2 day attendance per calendar day. Children who are home schooled pursuant to a home education program approved by the department in accordance with RSA 193-A shall not be included in this definition.

IX. "Transportation cost" means the cost of transporting pupils in grades kindergarten through grade 8 to and from school as reported by school districts on the DOE-25 form.

X. "Free or reduced-price meal" means the number of pupils in a school district in grades 1 through 12 who are eligible to receive a free or reduced-priced meal shall be calculated by multiplying each municipality's elementary average daily membership in residence by the percentage of elementary pupils eligible to receive a free or reduced-price meal in the district of residence.

9 State Aid for Educational Adequacy; Local Equalization Aid; Per Pupil Valuation. RSA 198:40 is repealed and reenacted to read as follows:

198:40 Local Equalization Aid. Beginning July 1, 2004, and every fiscal year thereafter, local equalization aid shall be calculated by the department as follows:

I. The total statewide equalized valuation of all municipalities including utilities, as determined by the department of revenue administration, shall be divided by the total statewide average daily membership in residence. The result shall be the statewide average equalized valuation per pupil.

II. The equalized valuation of all property in a municipality including utilities, as determined by the department of revenue administration, shall be divided by the average daily membership in residence in the municipality. The result shall be the local equalized valuation per pupil.

III. Eligibility for local equalization aid under this paragraph shall be determined as follows:

(a) If a municipality's local equalized valuation per pupil as calculated in paragraph II is equal to, or greater than, the statewide average equalized valuation per pupil as calculated in paragraph I, no local equalization aid shall be available.

(b) If a municipality's local equalized valuation per pupil as calculated in paragraph II is

less than the statewide average equalized valuation per pupil as calculated in paragraph I, the municipality shall be entitled to receive local equalization aid in an amount equal to the following: subtract the local equalized valuation per pupil as calculated in paragraph II from the statewide average equalized valuation per pupil as calculated in paragraph I. This amount shall be multiplied by the average local education tax rate imposed statewide in the fiscal year in which this calculation is made, and the product shall be divided by 1,000. The result shall be multiplied by the average daily membership in residence in such municipality and shall be available to a municipality as local equalization aid.

10 New Sections; Targeted Per Pupil Aid; Enhanced Education Aid. Amend RSA 198 by inserting after section 40 the following new sections:

198:40-a Targeted Per Pupil Aid.

I. A municipality with a local equalized valuation per pupil as calculated in RSA 198:40, II, which is less than or equal to 200 percent of the statewide average equalized valuation per pupil, as calculated in RSA 198:40, I, shall be eligible to receive targeted per pupil aid for such municipality's educationally disabled pupils, pupils eligible for free or reduced-price meals, English for speakers of other languages, and for such municipality's transportation costs which shall be determined by multiplying the statewide average equalized valuation per pupil, as calculated in RSA 198:40, I, by the average local education tax rate imposed statewide in the fiscal year in which this calculation is made. The product shall be divided by 1,000 resulting in a per pupil amount which shall be available to a municipality as follows:

(a) The per pupil amount calculated in paragraph I shall be multiplied by the average daily membership in residence of educationally disabled pupils in the municipality. This amount shall be available as targeted aid for educationally disabled pupils in the municipality.

(b) The per pupil amount calculated in paragraph I shall be multiplied by the average daily membership in residence eligible to receive a free or reduced-price meal in kindergarten through grade 12 in the school district. This amount shall be available as targeted aid for pupils eligible to receive a free or reduced-price meal in the municipality.

(c) The per pupil amount calculated in paragraph I shall be multiplied by the average daily membership in attendance receiving English for speakers of other languages services in the municipality. This amount shall be available as targeted aid for pupils in the municipality receiving English for speakers of other languages. In this subparagraph "average daily membership in attendance" shall be as defined in RSA 189:1-d, III.

(d) A municipality eligible to receive targeted per pupil aid under this paragraph shall also receive 100 percent of transportation costs in such municipality.

II. A municipality with a local equalized valuation per pupil, as calculated in RSA 198:40, II, which is greater than 200 percent of the statewide average equalized valuation per pupil as calculated in RSA 198:40, I shall not receive targeted per pupil aid under this section.

198:40-b Enhanced Education Aid. Beginning July 1, 2005, and every fiscal year thereafter, enhanced education aid shall be calculated by the department as follows:

I. Divide the total statewide equalized valuation of all municipalities excluding utilities, as determined by the department of revenue administration, by the total statewide average daily membership in residence. The result shall be the statewide average equalized valuation per pupil.

II. Divide the equalized valuation of all property in a municipality excluding utilities, as determined by the department of revenue administration, by the average daily membership in residence in the municipality. Multiply the result by the enhanced education tax rate imposed in the fiscal year in which this calculation is made, and divide the product by 1,000. The result shall be the local equalized valuation per pupil.

III. Eligibility for enhanced education aid under this paragraph shall be determined as follows:

(a) If a municipality's local equalized valuation per pupil as calculated in paragraph II is greater than or equal to the statewide average equalized valuation per pupil as calculated in paragraph I, no enhanced aid shall be available.

(b) If a municipality's local equalized valuation per pupil as calculated in paragraph II is less than the statewide average equalized valuation per pupil as calculated in paragraph I, the municipality shall be entitled to receive enhanced education aid in an amount equal to the following: subtract the local equalized valuation per pupil as calculated in paragraph II from the statewide average equalized valuation per pupil as calculated in paragraph I. This amount shall be multiplied by the enhanced education tax imposed statewide in the fiscal year in which this calculation is made, and the product shall be divided by 1,000. The result shall be multiplied by the average daily membership in residence in such municipality and shall be available to a municipality as enhanced education aid.

IV.(a) In any fiscal year, if the amount raised by the enhanced education property tax in any municipality, except an unincorporated place or a town with an average daily membership in residence of one or less, exceeds the amount necessary to fund all local education costs as determined in such municipality's duly adopted school district budget, the excess shall be remitted to the department of revenue administration on or before March 15 of the tax year in which the excess occurs.

(b) The amount of such excess to be remitted shall not include any income derived from the investment of funds by the municipal treasurers under RSA 41:29 and RSA 48:16. Any funds remaining after full payment of the excess tax required in paragraph I shall become available for unrestricted use by the municipality.

(c) The commissioner of the department of revenue administration shall collect from the municipality the excess tax and pay the excess tax over to the state treasurer for deposit in the education trust fund established in RSA 198:39.

(d) The commissioner of the department of revenue administration shall calculate the excess amount owed by each municipality pursuant to paragraph I.

V. In any fiscal year, a municipality shall appropriate all enhanced education aid funds received under this section to pay for local education costs before raising any additional local education tax revenues locally.

198:40-c Total State Aid for Education.

I. Beginning July 1, 2004, and every fiscal year thereafter, the total state aid for education shall be determined as follows:

(a) The sum total of all local equalization aid as calculated under RSA 198:40 paid to all municipalities statewide; plus

(b) The sum total of all targeted aid as calculated under RSA 198:40-a paid to all municipalities statewide; plus

(c) The sum total of all enhanced education aid as calculated under RSA 198:40-b.

II. In each fiscal year, the total aid calculated in paragraph I shall be adjusted by adding the average annual rate of inflation, as measured by the most recent available northeast region consumer price index for all urban consumers as published by the Bureau of Labor Statistics, United States Department of Labor. The resulting sum, expressed as a percentage, shall be added to 100 percent to yield an adjustment factor. The total state aid for education from the immediately preceding year shall be multiplied by the adjustment factor and the product shall be the adjusted total state aid for education.

III. In each fiscal year, the commissioner of the department of revenue administration shall determine, to the nearest cent, the enhanced education tax rate that will match, as nearly as possible without exceeding, the amount raised statewide by the enhanced education tax in fiscal year 2005.

IV. In any fiscal year in which the total state aid for education distributed to municipalities under this section would exceed the total state aid for education distributed under this section in the 2005 fiscal year, the total state aid for education shall be reduced to the amount distributed in fiscal year 2005, and the amount of the excess shall be deducted from each municipality's aid on a pro rata basis.

11 Determination of Adequate Education Grants. RSA 198:41 is repealed and reenacted to read as follows:

198:41 Determination of Adequate Education Grants.

I. Except for municipalities where all school districts therein provide education to all of their pupils by paying tuition to other institutions, the department of education shall determine the amount of the adequate education grant for the municipality adding the all sums received by a municipality under RSA 198:40, RSA 198:40-a, and RSA 198:40-b, and subtracting from the sum the amount of the tax warrant issued by the commissioner of the department of revenue administration

pursuant to RSA 76:9 for the next tax year.

II. For municipalities where all school districts therein provide education to all of their pupils by paying tuition to other institutions, the department of education shall determine the amount of the adequate education grant for each municipality as the lesser of the two following calculations:

(a) The amount calculated in accordance with paragraph I of this section; or

(b) The total amount paid for items of current education expense as determined by the department of education minus the amount of the warrant to be issued by the commissioner of revenue administration for such municipality reported pursuant to RSA 76:9 for the next tax year.

12 School Money; Distribution of Adequate Education Grants. Amend RSA 198:42, II to read as follows:

II. For the fiscal year beginning July 1, 1999, and every fiscal year thereafter the amount necessary to fund the grants under RSA [~~198:41~~] ***198:40-c*** is hereby appropriated from the education trust fund created under RSA 198:39 to the department of education according to the following formula: from the amount calculated in accordance with RSA [~~198:40, III,~~] ***198:40-c,*** subtract the aggregate amount of the ***enhanced*** education [~~property~~] tax warrants to be issued by the commissioner of revenue administration for municipalities reported pursuant to RSA 76:9 for the next tax year. The governor is authorized to draw a warrant from the education trust fund to satisfy the state's obligation under this section. Such warrant for payment shall be issued regardless of the balance of funds available in the education trust fund. If the balance in the education trust fund, after the issuance of any such warrant, is less than zero, the commissioner of the department of administrative services shall inform the fiscal committee and the governor and council of such balance. This reporting shall not in any way prohibit or delay the distribution of adequate education grants.

13 Low and Moderate Income Homeowners Property Tax Relief. Amend RSA 198:57, III(a) to read as follows:

(a) Owns a homestead or interest in a homestead subject to the ***enhanced*** education [~~property~~] tax;

14 Low and Moderate Income Homeowners Property Tax Relief. Amend RSA 198:57, IV(c) to read as follows:

(c) Multiply the lesser of the amount determined in subparagraph (a) or (b) by the current [~~state~~] ***enhanced*** education [~~property~~] tax rate as shown on the tax bill under RSA 76:11-a;

15 Excess Education Property Tax Payment; Subdivision Heading Amended. Amend the subdivision heading immediately preceding RSA 198:46 to read as follows:

Excess ***Enhanced*** Education [~~Property~~] Tax Payment

16 Excess Education Property Tax Payment. Amend RSA 198:46, I to read as follows:

I. Municipalities for which the ***enhanced*** education [~~property~~] tax exceeds the amount

necessary to fund an adequate education determined by RSA 198:40 shall assess and remit such excess amount to the department of revenue administration on or before March 15 of the tax year in which the excess occurs.

17 Excess Education Property Tax Payment; Forms. Amend RSA 198:47 to read as follows:

198:47 Forms. The commissioner shall approve and provide forms relative to the reporting and remitting of excess ***enhanced*** education [~~property~~] tax by the municipalities.

18 Alternative Kindergarten Programs. Amend RSA 198:48-a, VII-VIII to read as follows:

VII.(a) [~~Upon the effective date of this paragraph, and for~~] ***For*** each fiscal year through June 30, 2003, an adequate education grant of $1200 per pupil shall be distributed to school districts, from the education trust fund created in RSA 198:39, for the education of its resident kindergarten pupils enrolled in an approved alternative kindergarten program established under this section.

(b) Once pupils enrolled in an approved alternative kindergarten program have been counted in the average daily membership in residence, school districts shall receive, for each such pupil, an adequate education grant calculated in accordance with [~~RSA 198:40 through RSA 198:42~~] ***RSA 198:41.***

VIII. Notwithstanding the provisions of this section, alternative kindergarten programs which were approved and in effect prior to April 29, 1999 may continue to operate and shall continue to receive per pupil adequate education grant amounts in accordance with RSA [~~198:40 through RSA 198:42~~] ***198:41.***

19 School Boards, Teachers; Definitions Amended. RSA 189:1-d is repealed and reenacted to read as follows:

189:1-d Definitions. In this chapter:

I. "Attendance" means full-time participation in a program of instruction under the direction of a teacher employed by the school district. Educationally disabled home educated pupils educated at school district expense under the direction of a teacher employed by the school district shall be included.

II. "Membership" means pupils of whom attendance is expected, whether a pupil is present or absent on any given day.

III. "Average daily membership in attendance" means the aggregate half-day membership of pupils attending schools operated by a school district divided by the number of half-days of instruction offered. The average daily membership in attendance for preschool and kindergarten pupils shall be divided by the number of instructional days offered to higher level elementary grades.

IV. "Average daily membership in residence" means the average daily membership in attendance of pupils who are legal residents of the school district pursuant to RSA 193:12 or RSA 193:27, IV and are attending any public school, or who are attending any charter school or private school program approved by the department of education at the expense of the school district.

20 Procedure for Formation of Cooperative School Districts; Apportioning Operating Expenses;

Exclusion of Home Education Pupils Deleted. Amend RSA 195:18, III(e) to read as follows:

(e) The method of apportioning the operating expenses of the cooperative school district among the several preexisting districts and the time and manner of payment of such shares. [~~Home education pupils who do not receive services from the cooperative school district, except an evaluation pursuant to RSA 193-A:6, II shall not be included in the average daily membership relative to apportionment formulas.~~]

21 Procedure for Formation of Cooperative School Districts; Apportioning Capital Expenses; Exclusion of Home Education Pupils Deleted. Amend RSA 195:18, III(g) to read as follows:

(g) The method of apportioning the capital expenses of the cooperative school district among the several preexisting districts, which need not be the same as the method for apportioning operating expenses, and the time and manner of payment of such shares. Capital expenses shall include the costs of acquiring land and buildings for school purposes, including property owned by a preexisting district; the construction, furnishing, and equipping of school buildings and facilities; and the payment of the principal and interest of any indebtedness which is incurred to pay for the same or which is assumed by the cooperative school district. [~~Home education pupils who do not receive services from the cooperative school district, except an evaluation pursuant to RSA 193-A:6, II, shall not be included in the average daily membership relative to apportionment formulas.~~]

22 Effective Date.

I. Section 2 of this act shall take effect July 1, 2004.

II. Sections 4-7 and 11-18 of this act shall take effect July 1, 2004.

III. Section 3 of this act shall take effect July 1, 2005.

IV. RSA 198:40-b and RSA 198:40-c, I(c), as inserted by section 10 of this act shall take effect July 1, 2005.

V. The remainder of this act shall take effect July 1, 2003.

2003-1531s

AMENDED ANALYSIS

This bill:

I. Reduces the education property tax rate from $5.80 to $4.87 for the 2004 fiscal year and to $3.50 for the 2005 fiscal year.

II. Beginning July 1, 2005, establishes a new education funding formula for municipalities and sets forth criteria whereby municipalities may receive local equalized aid, targeted per pupil aid, and enhanced education aid for pupils in the public schools.

III. Establishes a new procedure for determining the statewide cost of an adequate education.

Speakers

SENATE EDUCATION COMMITTEE

Date 04/30/03 Time 1:15 PM Public Hearing on **HB 608-FN-L**

(New Title) reducing the education property tax rate and relative to the calculation of adequate education grants.

Please check box(es) that apply.

SPEAKING	FAVOR	OPPOSED	NAME (Please print)	REPRESENTING
☑	☑	☐	Representative Hess	Prime Sponsor
☑	☐	☑	Dean Michener	NHSBA / NHSAA
☑	☐	☐	Frank Bass	SAU #37
☑	☐	☐	Tom Donovan	Manchester School Board
☐	☑	☐	Rep Sam Cataldo	Dist 5
☑	☐	☐	Rep. Dan Hughes	Dist 88
☐	☐	☒	Rep Ken Weyler	Dist 79
☐	☐	☒	Rep. Tom Buchanan	Dist 32
☑	AMEND	☐	Rep. Vivian Clark	Dist 79
☑	☐	☑	Rep. Susan Almy	HD 18
☑	☑	☐		
☑	☐	☐	Keith Herman	Gov.'s office
☒	☐	☒	Rep. Burling	Dist 19
☑	☐	☑	Rep Christine Hamm	Dist. 34
☐	☐	☒	Steve Vaccaro	Children's Alliance
☐	☐	☐		
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SENATE EDUCATION COMMITTEE

Date 05/07/03 Time 3:45 PM Public Hearing on **HB 608-FN-L**

(New Title) reducing the education property tax rate and relative to the calculation of adequate education grants.

Please check box(es) that apply.

SPEAKING	FAVOR	OPPOSED	NAME (Please print)	REPRESENTING
☐	☐	☐	Representative Hess	Prime Sponsor
☐	☐	☐	Sen Gatsas	
☐	☐	☐		
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Testimony

* Revised for the record. The previous handout was as of 5/19/03.

HB608

Info Services
NH Dept of Ed

2002 NHEIAP
Percentage of SPED, F/R Lunch and ELS Student

Revised
August 28, 2003
Replaces May 19, 2003

	Grade 3		Grade 6		Grade 10	
Total Tested	**15,859**		**17,529**		**15,486**	
No Designation	11,335	71%	12,602	72%	12,281	79%
Total SPED	2,140	13%	2,579	15%	2,141	14%
Only SPED	1,450	9%	1,934	11%	1,824	12%
SPED&FR	667	4%	631	4%	310	2%
SPED&ESL	9	0%	8	0%	6	0%
SPED&FR&ESL	14	0%	6	0%	1	0%
Total FR	2,947	19%	2,865	16%	1,290	8%
Only FR	2,137	13%	2,126	12%	951	6%
SPED&FR	667	4%	631	4%	310	2%
FR&ESL	129	1%	102	1%	28	0%
SPED&FR&ESL	14	0%	6	0%	1	0%
Total Tested ESL	270	2%	236	1%	120	1%
Only ESL	118	1%	120	1%	85	1%
FR&ESL	129	1%	102	1%	28	0%
SPED&ESL	9	0%	8	0%	6	0%
SPED&FR&ESL	14	0%	6	0%	1	0%
ESL Not Tested	34		59		28	

Counts include the regular and alternative assessments. NHEIAP is the only source of data that shows the overlap of these three designations. No SPED or FR designation information is available for ESL students that were not tested.

THOMAS R. EATON
PRESIDENT OF THE SENATE

THE GENERAL COURT
OF
NEW HAMPSHIRE
CONCORD 03301

GENE G. CHANDLER
SPEAKER OF THE HOUSE

DATE: December 15, 2003

TO: Honorable Craig Benson, Governor
Honorable Thomas R. Eaton, President of the Senate
Honorable Gene G. Chandler, Speaker of the House of Representatives
Steven J. Winter, Senate Clerk
Karen O. Wadsworth, House Clerk
Michael York, State Librarian

FROM: Representative Frederick W. King, Chairman

SUBJECT: INTERIM REPORT OF HOUSE BILL 608-FN-LOCAL

The three members of the House appointed by the Speaker were:

Honorable Frederick W. King, Chairman
Honorable David W. Hess
Honorable Norman L. Major

The three members of the Senate appointed by the President were:

Honorable Theodore L. Gatsas
Honorable Jane E. O'Hearn
Honorable Charles W. Morse

In the 2003 Legislative Session there were two funding bills introduced that dealt with the State of New Hampshire's education funding for K-12 programs and how the State's contribution to the communities in the State would be allocated. The House of Representatives passed the two bills, HB608 and HB717. HB608 as amended would have funded FY2004 and 2005 obligations with HB717 becoming the obligation for FY 2006. Both of these bills were sent to the Senate for its consideration. The Senate found HB-717 inexpedient to legislate and replaced the House version of HB-608 with a revised version of the bill.

Both the House and the Senate adopted the final version of the legislation in June 2003. The House version of HB608 allocates the funding for FY 2004 and the Senate version the funding for FY 2005. At that time it was agreed by the committee there was a problem with the distribution of grants in FY 2005. The agreement was to form a special

committee by legislation to work on fixing the grant distributions in FY05 and beyond with an interim report in December 2003 for the purpose of fast-tracking legislation in an effort to fix the distributions. The final legislation established a committee of three Senators and three House members that would study and make recommendations concerning the method of distribution of education aid under existing law and any additional methods of distribution as may be deemed necessary by the committee. An impact will be experienced in FY 2005 due to $10 million dollars that was transferred from FY 2005 to FY 2004 for purposes of increased targeted aid to needy communities in FY 2004.

The committee was directed to provide an interim report by December 14, 2003, and a final report on or before November 15, 2004.

The first meeting of the committee was held on September 25, 2003. A total of ten public hearings were held in order to allow participation of interested parties in the discussion. Copies of these can be made available by calling 271- 2111. The committee agreed that the total amount of state funding for FY 2005 was $428,553,890. The statewide property tax rate will be $3.24 per thousand of valuation. In addition, the committee agreed with recommendations made by the Attorney General's office for certain technical corrections to the bill. Everything else was open for discussion. The primary goal was to modify the FY 2005 funding distribution with the revisions passed by the Legislature and signed into law by the Governor prior to the date in March 2004 when the communities must adopt their FY2005 school budgets.

The committee to study the method of distribution of education aid under existing law recommends by a vote of 4-2 that:

1. Legislation should be introduced and adopted by the legislature based on the 11/03/03 recommendations of the NH Attorney General that will clarify the statutory language of RSA 198 so that the legislative intent of HB608 is more clearly expressed and that will facilitate the accurate implementation of the law by state agencies.

And

2. Legislation should be introduced and adopted by the legislature based on the 12/01/03 proposal by Senator Gatsas that will modify the distribution of state education grants in FY 2005 by clarifying that special education transportation costs are included in transportation aid, that restores the previous $300 per pupil reduction in free and reduced lunch aid, that changes the threshold for eligibility for targeted aid, and that creates a separate category of transition grants in FY 2005.

Minority Recommendation

There was unanimous agreement within the committee that HB 608 as enacted in 2003 provides significant benefits for the more property-poor towns (the so called "plaintiff" towns) in the form of increased grants, and for the very property-rich towns (the "donor" towns) in the form of a greatly reduced statewide property tax. However, these benefits were derived at the expense of 116 towns (the so called "middle tier" property value towns) which will see their state grants decrease, in some instances significantly, in FY 2005 over 2004. Because the 12/2/03 proposal by Rep. Major substantially moderates those reductions, provides higher grants than the Gatsas proposal to over 90 of these towns and, in our opinion, provides a more equitable basis for distributing State education aid to all of our communities, we support that proposal rather than Sen. Gatsas' proposal.

Rep. David W. Hess
Rep. Norman Major

Committee members want to thank everyone who took the time to communicate their thoughts on this bill. We want to thank Deputy Attorney General Anne Edwards, Sallie Fellows of the Department of Education and Mike Marr from the Legislative Budget Assistant's Office for their time and effort in helping us understand the issues. Also, we want to especially thank Kristy Stuart from the Senate Staff for keeping us on time, organized and for preparing the ver complete record of our meetings.

SENATE EDUCATION FUNDING PLAN

1. **LOWER** the statewide property tax to $4.87; then $3.50 in the second year.

2. **NEARLY NO DONOR TOWNS.** At $3.50 there are almost no donor towns. This would eliminate the need to pit town against town.

3. **DIRECT AID TO WHERE IT IS NEEDED – NO POLITICS.** The Claremont ruling was based on communities that did not have enough property value to support the number of students. The basis of this formula is property value per student. This distribution formula hits the nail on the head.

4. **REDUCE NEW HAMPSHIRE STATE BUDGET BY HUNDREDS OF MILLIONS OF DOLLARS.** This formula bases distribution on a community's "effort" to raise money, not on what certain towns spend. The current "spiral" effect is gone. Communities hardest hit with education taxes would see a marked reduction in their total education tax without an "across the board" spending increase at the state level.

5. **STABILIZE THE CURRENT YEAR FORMULA.** This includes a stabilization plan that allows communities to produce a school budget with minimal changes to their current grant and allows the state to balance it's budget as well.

6. **TARGETED AID.** The underlying basis of the Claremont case was that low property values and lots of kids result in high property taxes. Communities that have low assessed property values have extremely high tax rates to raise education dollars. We have based this new tax plan on a community's ability to raise education dollars through the property taxes by a formula of equalized property value per student. This is an expansion of the tax effort cap and targeted aid proposals of the past. Money goes to where it's needed, and each community's ability to raise money for education is made easier.

7. **NO FLUFF.** This plan uses real numbers readily available at Legislative Budget Assistant, Department of Education and Department of Revenue Administration based on property value, student population, free and reduced lunch program, ESL, SPED and reduced transportation. No phony numbers.

8. **CONSTITUTIONAL.** Since the Supreme Court has stated more than once that "adequate education" can cost more or less in some communities than others. This proposal meets constitutional muster without passing on costs to the local taxpayers.

	Actual	HB 608	HB 717	Clark Plan		TOTAL EDUCATION TAX RATE		
	FY 03	FY 2004	FY 2004	FY 2004		IF EACH TOWN SPENT THE		
	Grants	$10 mil target		Total Grants		STATE AVERAGE PER PUPIL		
State tax rate:		4.92		$4.54				
						HB608	HB717	Clark Plan
State Totals	413,545,882	424,346,746	406,719,196	411,226,688				
Acworth	454,885	444,282	470,433	508,818		14.22	13.52	12.86
Albany	296,462	299,390	294,471	319,124		13.25	13.30	12.86
Alexandria	664,882	678,444	590,785	677,589		12.88	13.41	12.86
Allenstown	2,988,367	3,109,664	3,061,895	3,750,293		16.54	16.76	12.86
Alstead	1,068,301	1,188,641	1,184,065	1,295,624		14.13	14.07	12.86
Alton	(671,701)	(1,015,589)	0	0		7.89	6.57	7.83
Amherst	4,497,298	4,499,018	3,541,543	4,043,678		11.31	12.06	12.07
Andover	738,141	653,948	555,524	617,472		11.15	11.60	12.16
Antrim	1,709,311	1,771,781	1,806,001	2,101,635		15.23	14.91	12.86
Ashland	775,763	774,082	669,901	644,780		10.71	11.53	12.86
Atkinson	659,805	691,834	337,587	619,171		9.75	10.26	9.92
Auburn	2,017,132	1,906,335	1,587,787	1,908,859		12.58	13.40	12.86
Barnstead	1,882,860	1,916,247	1,657,848	1,981,101		13.11	14.02	12.86
Barrington	3,317,670	3,197,793	2,650,423	3,141,575		12.39	13.46	12.86
Bartlett	(943,667)	(685,616)	0	0		7.23	5.89	7.48
Bath	499,308	501,298	531,294	445,171		10.84	9.66	12.86
Bedford	2,936,292	3,302,186	2,017,879	2,604,060		9.61	10.15	10.07
Belmont	3,749,353	3,061,599	2,608,362	3,546,396		13.57	14.63	12.86
Bennington	798,620	767,764	788,136	923,050		15.25	14.74	12.86
Benton	146,106	101,237	99,827	102,134		9.63	9.32	12.12
Berlin	5,219,978	6,326,338	5,314,655	6,637,154		13.95	16.54	12.86
Bethlehem	1,173,593	1,207,506	1,160,961	1,074,901		11.25	11.49	12.86
Boscawen	1,673,764	1,552,644	1,557,963	1,771,937		14.22	14.11	12.86
Bow	3,316,195	3,419,192	2,797,384	3,217,603		12.24	12.50	12.58
Bradford	611,928	563,826	602,094	576,304		12.66	12.25	12.86
Brentwood	744,921	888,773	664,244	0		5.42	6.18	8.81
Bridgewater	(180,095)	(237,591)	0	0		7.06	5.16	7.12
Bristol	1,277,699	1,288,054	1,070,541	1,034,438		10.25	11.06	12.39
Brookfield	200,549	111,878	81,765	161,383		11.26	11.72	11.08
Brookline	2,300,454	2,344,807	1,917,236	3,182,030		15.54	16.86	12.86
Cambridge	(13,196)	(24,957)	0	0		5.71	1.30	5.19
Campton	1,585,768	1,360,633	1,142,752	1,357,056		11.65	12.68	12.86
Canaan	1,690,129	1,782,839	1,497,556	1,709,178		12.45	13.97	12.86
Candia	1,489,959	1,419,372	1,199,966	1,385,792		12.38	13.10	12.86
Canterbury	566,397	474,124	393,153	476,714		11.03	11.52	11.61
Carroll	(357,402)	(228,087)	0	0		7.07	5.36	7.22
Center Harbor	(778,220)	(664,927)	0	0		5.72	3.39	6.24
Charlestown	2,966,468	3,340,965	3,311,165	4,058,164		17.10	17.06	12.86
Chatham	65,689	93,416	68,673	61,172		9.67	10.41	10.85
Chester	1,508,829	1,432,623	1,250,246	1,950,769		14.45	14.93	12.86
Chesterfield	1,211,939	1,440,637	1,118,281	1,101,401		10.89	11.95	12.43
Chichester	722,688	706,045	624,705	713,782		12.86	13.32	12.86
Claremont	7,770,492	7,591,450	7,641,634	7,601,892		12.56	12.39	12.86
Clarksville	122,483	76,346	60,478	96,388		12.26	12.92	12.56

	Actual	HB 608	HB 717	Clark Plan	TOTAL EDUCATION TAX RATE		
	FY 03	FY 2004	FY 2004	FY 2004	IF EACH TOWN SPENT THE		
	Grants	$10 mil target		Total Grants	STATE AVERAGE PER PUPIL		
State tax rate:		4.92		$4.54			
					HB608	HB717	Clark Plan
Colebrook	1,248,812	1,313,254	1,148,993	1,582,348	15.91	17.10	12.86
Columbia	379,895	386,470	428,226	333,078	10.90	8.31	12.86
Concord	15,915,618	16,561,340	13,821,167	15,407,807	12.37	13.43	12.86
Conway	2,538,172	2,706,791	2,228,168	1,857,687	8.62	9.11	10.39
Cornish	786,045	806,749	663,333	853,451	13.40	14.92	12.86
Croydon	238,249	183,903	168,631	208,616	12.75	13.04	12.86
Dalton	460,940	534,170	551,980	477,908	11.64	11.11	12.86
Danbury	615,998	490,176	517,829	580,746	13.72	13.21	12.86
Danville	1,760,257	1,932,661	1,880,647	2,307,285	14.30	14.43	12.86
Deerfield	1,724,247	1,878,642	1,581,711	1,728,994	12.35	13.24	12.86
Deering	847,031	961,541	1,076,906	972,839	11.74	10.41	12.86
Derry	19,489,262	19,934,524	19,181,610	24,083,098	14.98	15.32	12.86
Dorchester	184,385	214,663	213,347	251,544	14.76	14.69	12.86
Dover	6,337,094	5,577,784	4,337,779	5,046,321	10.11	10.74	11.12
Dublin	(8,210)	(211,374)	0	0	6.91	5.73	7.40
Dummer	91,376	113,415	83,912	82,387	8.89	8.44	9.74
Dunbarton	592,454	657,515	587,123	618,232	12.21	12.40	12.42
Durham	1,430,893	1,608,488	1,123,327	1,262,430	10.00	10.76	10.85
East Kingston	606,917	631,127	505,515	555,395	10.91	11.26	11.60
Easton	(18,992)	(39,430)	0	0	6.88	5.60	7.34
Eaton	14,632	62,010	24,780	0	7.49	8.24	8.93
Effingham	426,013	513,373	498,365	435,058	12.02	12.11	12.86
Ellsworth	19,893	6,983	1,377	16,280	11.33	11.93	10.59
Enfield	1,236,383	1,286,914	1,055,340	1,026,393	10.30	11.09	12.03
Epping	2,595,364	2,554,018	2,516,537	2,469,124	12.25	12.30	12.86
Epsom	1,543,580	1,573,536	1,258,149	1,660,200	13.23	14.49	12.86
Errol	(32,345)	(15,891)	0	0	6.07	4.68	6.88
Exeter	4,258,782	4,652,248	3,538,960	3,870,730	11.13	12.06	12.20
Farmington	4,648,241	4,865,565	4,928,872	4,714,557	12.28	11.97	12.86
Fitzwilliam	939,203	818,016	736,048	835,030	12.24	12.75	12.86
Francestown	539,501	575,371	503,682	513,501	12.11	12.67	12.86
Franconia	40,405	(34,537)	0	0	7.59	7.31	8.19
Franklin	5,267,689	5,339,119	5,521,212	5,498,991	13.37	12.60	12.86
Freedom	(474,235)	(634,410)	0	0	6.65	4.11	6.59
Fremont	1,412,976	1,543,706	1,257,574	1,399,689	12.21	13.37	12.86
Gilford	243,439	353,480	0	175,304	8.90	9.25	9.17
Gilmanton	1,218,445	1,192,859	935,655	1,164,155	12.50	13.57	12.86
Gilsum	300,713	322,823	346,980	439,190	16.46	15.60	12.86
Goffstown	5,501,613	5,190,024	4,418,877	5,093,688	12.34	13.07	12.86
Gorham	1,161,654	1,410,835	1,170,199	1,357,925	12.62	13.15	12.86
Goshen	411,628	420,600	442,330	461,839	13.94	13.29	12.86
Grafton	535,651	585,945	588,126	738,607	15.65	15.49	12.86
Grantham	(364,891)	(260,543)	0	0	8.56	7.65	8.36
Greenfield	856,934	690,509	727,433	767,641	12.74	12.30	12.86
Greenland	(76,568)	49,734	0	0	8.70	8.66	8.87
Greenville	1,384,369	1,451,584	1,477,665	1,848,369	18.41	17.96	12.86
Groton	294,697	273,274	281,410	248,091	10.91	9.80	12.86

	Actual	HB 608	HB 717	Clark Plan	TOTAL EDUCATION TAX RATE		
	FY 03	FY 2004	FY 2004	FY 2004	IF EACH TOWN SPENT THE		
	Grants	$10 mil target		Total Grants	STATE AVERAGE PER PUPIL		
State tax rate:		4.92		$4.54			
					HB608	HB717	Clark Plan
Hampstead	3,446,438	3,386,010	2,743,833	3,091,057	11.87	12.71	12.74
Hampton	(1,385,987)	(1,228,189)	0	0	7.65	6.92	8.00
Hampton Falls	(174,008)	52,221	0	0	8.36	8.46	8.77
Hancock	521,316	410,995	322,661	393,584	9.80	10.31	10.70
Hanover	(1,258,899)	(1,103,102)	0	0	6.95	5.94	7.51
Harrisville	164,938	62,622	47,923	0	8.31	8.41	8.98
Hart's Location	(14,244)	(22,069)	0	0	7.70	5.50	7.29
Haverhill	2,562,617	2,787,913	2,889,470	2,764,606	12.76	12.00	12.86
Hebron	(494,062)	(470,322)	0	0	5.12	1.78	5.43
Henniker	2,126,355	2,404,410	2,309,068	2,702,342	14.07	14.39	12.86
Hill	424,590	480,254	477,654	520,689	13.62	13.25	12.86
Hillsboro	3,626,828	3,264,117	3,544,558	3,345,804	13.02	11.90	12.86
Hinsdale	2,811,182	2,987,460	3,019,525	3,439,520	15.53	14.59	12.86
Holderness	(397,085)	(220,075)	0	0	7.74	7.05	8.07
Hollis	1,307,949	1,606,607	1,017,115	1,405,081	10.41	11.05	10.63
Hooksett	2,794,547	2,815,667	2,171,010	2,648,875	11.26	11.84	11.58
Hopkinton	1,764,456	1,903,219	1,630,468	1,688,030	11.87	12.30	12.51
Hudson	7,497,262	6,919,448	5,425,440	6,765,856	11.71	12.42	12.17
Jackson	(697,364)	(647,256)	0	0	5.84	2.85	5.97
Jaffrey	2,437,571	2,351,558	1,961,937	2,284,446	12.16	13.36	12.86
Jefferson	489,854	466,337	397,246	386,102	10.16	10.78	12.74
Keene	7,885,617	8,840,490	8,734,339	8,153,131	12.27	12.30	12.86
Kensington	401,436	479,612	325,217	419,959	10.76	11.42	11.05
Kingston	1,871,285	1,974,380	1,643,788	1,667,446	11.05	11.69	12.13
Laconia	5,756,193	6,478,976	5,355,695	4,575,757	9.30	10.24	12.05
Lancaster	2,237,848	2,335,831	2,096,940	2,612,618	14.78	16.13	12.86
Landaff	151,986	110,910	100,531	111,602	10.43	10.79	12.25
Langdon	282,099	255,933	254,479	249,383	11.71	11.62	12.86
Lebanon	1,563,846	2,401,139	1,765,053	1,639,450	9.73	10.12	10.42
Lee	2,438,600	2,629,194	2,109,061	2,384,919	11.89	13.55	12.86
Lempster	489,623	520,162	517,689	565,341	13.85	13.74	12.86
Lincoln	(1,233,731)	(1,106,374)	0	0	6.01	3.10	6.09
Lisbon	1,174,026	1,229,828	1,222,557	1,243,488	13.08	12.99	12.86
Litchfield	3,621,359	4,085,947	3,379,817	4,904,411	14.54	15.86	12.86
Littleton	3,158,936	3,307,651	2,811,792	2,670,962	10.12	10.28	12.86
Londonderry	13,006,987	13,698,910	11,408,894	15,536,143	13.83	14.93	12.86
Loudon	1,947,224	1,937,022	1,733,737	2,040,548	13.21	13.82	12.86
Lyman	181,409	175,397	148,067	143,349	10.20	11.00	12.76
Lyme	220,135	274,956	152,450	173,861	8.94	9.57	9.74
Lyndeborough	522,515	537,417	493,681	422,091	9.86	10.15	11.50
Madbury	1,011,475	1,014,900	994,728	1,088,121	13.53	13.58	12.86
Madison	506,824	515,859	378,120	449,132	10.22	10.78	10.77
Manchester	42,473,084	45,542,819	44,445,524	38,571,967	10.99	11.08	12.86
Marlborough	1,039,844	1,051,020	1,046,242	985,970	11.67	11.66	12.86
Marlow	399,487	369,211	377,869	410,853	13.97	13.62	12.86
Mason	303,725	235,664	197,461	252,603	10.71	11.04	11.04
Meredith	(249,968)	(236,955)	0	0	8.16	7.86	8.47

	Actual	HB 608	HB 717	Clark Plan		TOTAL EDUCATION TAX RATE		
	FY 03	FY 2004	FY 2004	FY 2004		IF EACH TOWN SPENT THE		
	Grants	$10 mil target		Total Grants		STATE AVERAGE PER PUPIL		
State tax rate:		4.92		$4.54				
						HB608	HB717	Clark Plan
Merrimack	10,038,893	9,478,803	7,839,802	8,799,463		11.66	12.38	12.54
Middleton	829,092	867,568	839,388	1,041,930		14.89	15.16	12.86
Milan	799,835	938,967	914,130	954,181		13.15	12.65	12.86
Milford	5,648,786	5,538,956	5,284,907	5,731,597		13.07	13.28	12.86
Millsfield	(9,666)	(21,316)	0	0		9.05	4.63	6.86
Milton	2,411,754	2,502,257	2,538,347	2,352,329		11.84	11.59	12.86
Monroe	394,084	409,555	357,860	341,973		7.00	3.61	7.46
Mont Vernon	908,797	1,092,696	1,070,132	1,279,779		14.07	14.19	12.86
Moultonborough	(5,702,257)	(5,217,294)	0	0		6.05	2.90	5.99
Nashua	29,492,240	26,362,371	21,097,958	23,696,891		10.45	11.17	11.74
Nelson	250,660	203,415	232,575	207,966		11.29	10.69	11.97
New Boston	1,692,958	1,635,472	1,303,323	1,599,198		12.46	13.46	12.86
New Castle	(1,637,460)	(1,572,957)	0	0		5.85	1.96	5.52
New Durham	913,090	888,432	747,371	784,612		11.19	11.86	12.37
New Hampton	818,278	731,735	645,766	628,129		10.00	10.47	12.16
New Ipswich	2,720,422	2,325,375	2,578,061	3,337,343		17.03	15.94	12.86
New London	(1,282,360)	(881,789)	0	0		7.24	5.58	7.33
Newbury	(341,755)	(241,755)	0	0		7.02	6.24	7.66
Newfields	206,608	336,583	222,411	304,019		10.60	11.22	10.78
Newington	(2,268,767)	(1,798,400)	0	0		5.54	1.46	5.27
Newmarket	2,654,716	2,339,037	1,883,930	2,211,042		11.62	12.57	12.85
Newport	4,327,649	4,698,838	4,729,331	4,779,380		13.18	12.99	12.86
Newton	1,842,457	1,968,693	1,667,590	2,100,108		13.31	14.10	12.86
North Hampton	(773,913)	(447,344)	0	0		8.31	7.57	8.32
Northfield	2,776,364	2,889,461	2,887,700	3,575,837		16.44	16.32	12.86
Northumberland	1,885,118	1,956,592	2,004,353	1,867,199		11.86	10.57	12.86
Northwood	1,769,574	1,913,138	1,949,323	1,806,151		12.48	12.28	12.86
Nottingham	1,622,910	1,336,303	1,060,736	1,313,231		10.86	11.66	12.00
Orange	131,869	144,811	0	196,219		15.97	24.57	12.86
Orford	282,699	302,346	249,500	267,286		11.70	12.32	12.36
Ossipee	1,848,045	1,870,460	1,864,513	1,527,000		10.68	10.62	12.71
Pelham	3,516,938	3,184,282	2,570,209	3,058,132		11.12	11.70	11.71
Pembroke	3,364,900	3,354,394	3,258,906	4,351,723		15.62	15.82	12.86
Peterborough	1,961,763	2,294,933	1,894,416	1,775,210		11.03	11.89	12.63
Piermont	255,157	276,839	271,876	229,676		11.40	11.42	12.86
Pittsburg	(160,277)	(81,992)	0	0		7.88	7.08	8.08
Pittsfield	3,021,626	2,936,204	2,996,072	3,821,697		18.52	17.99	12.86
Plainfield	745,037	765,068	575,862	682,950		11.96	13.07	12.86
Plaistow	1,931,952	2,044,456	1,554,352	1,843,705		11.04	11.62	11.43
Plymouth	2,615,673	2,890,112	2,890,351	2,574,816		11.04	10.93	12.86
Portsmouth	(3,713,873)	(4,090,043)	0	0		6.82	5.27	7.18
Randolph	5,944	9,850	0	0		7.45	7.25	8.17
Raymond	5,612,487	5,408,392	5,440,175	5,465,580		12.71	12.59	12.86
Richmond	581,427	583,279	585,588	665,272		14.24	14.11	12.86
Rindge	1,697,976	1,656,024	1,363,301	1,458,794		11.22	11.96	12.44
Rochester	14,607,127	14,170,036	14,330,039	14,289,191		12.73	12.56	12.86
Rollinsford	517,546	528,775	380,993	463,682		10.75	11.57	11.44

	Actual	HB 608	HB 717	Clark Plan	TOTAL EDUCATION TAX RATE		
	FY 03	FY 2004	FY 2004	FY 2004	IF EACH TOWN SPENT THE		
	Grants	$10 mil target		Total Grants	STATE AVERAGE PER PUPIL		
State tax rate:		4.92		$4.54			
					HB608	HB717	Clark Plan
Roxbury	100,992	84,986	71,128	66,548	7.74	8.56	11.05
Rumney	699,940	733,573	843,508	604,658	10.74	9.48	12.86
Rye	(3,178,954)	(2,887,698)	0	0	6.67	4.23	6.66
Salem	3,229,970	3,093,858	1,472,198	2,855,884	9.65	10.14	9.85
Salisbury	398,310	398,627	355,234	448,262	13.51	13.77	12.86
Sanbornton	483,874	596,015	482,017	403,545	9.25	9.68	10.39
Sandown	2,968,709	2,913,067	2,968,987	3,815,661	15.52	15.31	12.86
Sandwich	(382,532)	(309,772)	0	0	6.95	5.56	7.32
Seabrook	1,385,724	1,510,450	1,035,579	877,452	6.61	4.64	7.21
Sharon	62,117	80,295	60,473	49,689	8.85	9.44	10.24
Shelburne	116,973	100,317	86,425	102,653	8.55	6.54	8.60
Somersworth	5,360,083	5,186,538	4,353,126	5,282,297	12.90	14.35	12.86
South Hampton	66,315	77,963	21,638	37,120	8.43	8.90	9.09
Springfield	216,446	348,605	336,999	243,564	10.47	10.52	11.55
Stark	391,130	407,369	418,437	315,651	8.81	6.58	12.86
Stewartstown	587,500	485,873	445,041	506,791	11.78	11.32	12.86
Stoddard	(182,774)	(110,547)	0	0	7.45	6.47	7.77
Strafford	1,950,080	1,959,959	1,607,364	2,199,710	13.72	14.94	12.86
Stratford	721,266	712,659	765,595	583,112	7.25	3.93	12.86
Stratham	1,232,610	1,419,814	882,878	1,167,419	9.97	10.55	10.36
Sugar Hill	(103,066)	(116,237)	0	0	6.13	6.07	7.57
Sullivan	339,318	316,738	331,608	383,267	15.49	14.81	12.86
Sunapee	(335,707)	(440,846)	0	0	7.77	6.92	8.00
Surry	167,974	175,499	155,551	128,051	9.05	9.42	10.90
Sutton	394,408	443,203	371,984	366,415	10.72	11.18	11.48
Swanzey	3,709,873	3,985,186	4,017,583	4,559,959	14.57	14.43	12.86
Tamworth	912,616	915,849	803,914	748,413	10.31	10.72	12.17
Temple	542,844	543,790	554,666	569,099	13.16	12.99	12.86
Thornton	580,100	549,958	445,857	429,998	9.05	9.57	10.68
Tilton	1,094,469	1,285,764	1,065,415	836,082	8.51	9.12	10.92
Troy	1,384,397	1,383,677	1,418,891	1,776,637	17.51	16.96	12.86
Tuftonboro	(1,126,999)	(1,001,623)	0	0	6.96	4.77	6.93
Unity	434,778	528,099	445,013	589,842	13.88	15.11	12.86
Wakefield	1,192,308	1,820,927	1,418,258	1,041,079	8.93	9.88	11.24
Walpole	1,262,141	1,365,739	1,135,889	1,080,810	10.60	11.31	12.38
Warner	1,187,698	1,102,627	1,233,685	1,144,650	12.86	12.04	12.86
Warren	578,899	647,983	650,660	543,464	9.21	8.37	12.86
Washington	130,570	64,690	20,672	80,923	9.01	9.37	9.32
Waterville Val.	(966,724)	(799,653)	0	0	5.09	0.97	5.03
Weare	4,860,039	5,123,558	5,076,675	6,685,009	16.23	16.28	12.86
Webster	633,941	579,593	605,349	550,413	11.83	11.26	12.86
Wentworth	645,501	600,687	614,822	608,999	12.31	11.37	12.86
Wentworth Loc.	(2,608)	(25,880)	0	0	7.55	4.37	6.73
Westmoreland	553,670	693,701	596,400	602,999	11.94	12.88	12.86
Whitefield	1,272,509	1,285,229	1,315,548	1,252,260	12.38	11.52	12.86
Wilmot	377,485	402,422	312,587	398,995	12.83	13.78	12.86
Wilton	1,111,366	918,084	829,090	920,956	11.09	11.39	11.79

	Actual	HB 608	HB 717	Clark Plan		TOTAL EDUCATION TAX RATE		
	FY 03	FY 2004	FY 2004	FY 2004		IF EACH TOWN SPENT THE		
	Grants	$10 mil target		Total Grants		STATE AVERAGE PER PUPIL		
State tax rate:		4.92		$4.54				
						HB608	HB717	Clark Plan
Winchester	3,101,147	3,162,224	3,264,849	3,099,881		12.46	11.66	12.86
Windham	2,356,046	2,508,169	1,807,703	2,142,054		10.13	10.65	10.58
Windsor	12,600	36,288	28,126	33,735		11.13	11.61	11.30
Wolfeboro	(294,072)	(334,145)	0	0		8.25	7.87	8.48
Woodstock	181,937	14,358	0	115,856		9.57	9.59	9.34
	413,545,882	424,346,746	406,719,196	444,685,362				
						5.09	0.97	$5.03
				maximum:		18.52	24.57	$12.86

Clark Proposal: Version A

Use actual student count. Adequacy = Half of actual cost at average per student spending rates. (Does NOT include transportation or capital costs.) Additional grant to of spending, at average rates, to the statewide average of such tax. Transition grant for two years to ease the change from what was received in FY03.

Town	Elem. Students	H S Students	HALF Cost of Ed. At State Average	$4.54 State Tax Raises	Adeq. Grant or (Excess tax)	Additional Tax Rate for other half	Tax Cap Grant	Transition Grant	TOTAL Grant	FY03 Adequacy Grant
Acworth	99	57	559,515	210,832	348,683	11.66	160,135	0	508,818	454,885
Albany	102	35	487,469	229,932	257,537	9.53	61,587	0	319,124	296,462
Alexandria	179	88	955,156	413,674	541,482	9.71	136,107	0	677,589	664,882
Allenstown	603	236	2,990,912	781,213	2,209,699	17.16	1,540,595	0	3,750,293	2,988,367
Alstead	218	114	1,188,870	375,904	812,966	14.01	482,659	0	1,295,624	1,068,301
Alton	523	203	2,587,769	3,553,773	(966,004)	3.29	0	0	0	0
Amherst	1606	873	8,882,775	5,292,718	3,590,057	7.53	0	453,620	4,043,678	4,497,298
Andover	249	78	1,162,086	665,284	496,802	7.62	0	120,669	617,472	738,141
Antrim	385	160	1,944,580	624,409	1,320,171	13.91	781,464	0	2,101,635	1,709,311
Ashland	196	92	1,029,524	542,373	487,151	8.54	26,647	130,983	644,780	775,763
Atkinson	720	294	3,617,034	3,038,496	578,538	5.38	0	40,634	619,171	659,805
Auburn	641	280	3,288,652	1,678,194	1,610,458	8.83	190,128	108,273	1,908,859	2,017,132
Barnstead	540	211	2,677,141	1,179,559	1,497,582	10.16	483,519	0	1,981,101	1,882,860
Barrington	936	364	4,633,876	2,212,100	2,421,776	9.43	543,703	176,095	3,141,575	3,317,670
Bartlett	321	123	1,582,305	2,407,313	(825,008)	2.94	0	0	0	0
Bath	96	50	522,782	211,413	311,369	9.82	79,665	54,137	445,171	499,308
Bedford	2620	810	12,187,350	9,915,522	2,271,828	5.53	0	332,232	2,604,060	2,936,292
Belmont	810	381	4,257,651	1,811,330	2,446,321	10.54	897,118	202,957	3,546,396	3,749,353
Bennington	176	70	877,162	285,581	591,581	13.38	331,469	0	923,050	798,620
Benton	21	15	129,597	71,434	58,163	7.58	0	43,972	102,134	146,106
Berlin	957	485	5,161,079	1,164,656	3,996,423	17.04	2,640,731	0	6,637,154	5,219,978
Bethlehem	260	132	1,403,052	638,669	764,383	9.80	211,825	98,692	1,074,901	1,173,593
Boscawen	380	160	1,927,120	727,955	1,199,165	11.84	572,772	0	1,771,937	1,673,764
Bow	1198	561	6,287,727	3,168,716	3,119,011	8.04	0	98,592	3,217,603	3,316,195
Bradford	168	105	980,511	497,368	483,143	8.84	57,538	35,622	576,304	611,926
Brentwood	151	180	1,202,472	1,268,729	(66,257)	4.27	0	0	0	744,921
Bridgewater	102	38	498,722	757,932	(259,210)	2.58	0	0	0	0
Bristol	361	146	1,808,258	1,017,081	791,177	7.85	0	243,261	1,034,438	1,277,699
Brookfield	81	29	391,631	269,414	122,217	6.54	0	39,166	161,383	200,549
Brookline	725	285	3,600,735	1,411,418	2,189,317	11.49	992,714	0	3,182,030	2,300,454
Cambridge	0	1	3,751	25,734	(21,983)	0.65	0	0	0	0
Campton	322	174	1,777,098	843,260	933,838	9.35	194,506	228,712	1,357,056	1,585,768
Canaan	366	189	1,987,011	789,631	1,197,380	11.21	511,798	0	1,709,178	1,690,129
Candia	487	199	2,447,053	1,265,397	1,181,656	8.68	99,968	104,167	1,385,792	1,489,959
Canterbury	223	75	1,060,041	673,010	387,031	7.07	0	89,683	476,714	566,397
Carroll	65	38	369,518	618,545	(249,027)	2.68	0	0	0	0
Center Harbor	85	51	488,121	1,300,648	(812,527)	1.70	0	0	0	0

Town	Elem. Students	H S Students	HALF Cost of Ed. At State Average	$4.54 State Tax Raises	Adeq. Grant or (Excess tax)	Additional Tax Rate for other half	Tax Cap Grant	Transition Grant	TOTAL Grant	FY03 Adequacy Grant
Charlestown	578	290	3,106,166	739,179	2,366,987	18.27	1,691,177	0	4,058,164	2,966,468
Chatham	39	16	196,204	139,548	56,656	6.31	0	4,517	61,172	65,689
Chester	632	229	3,065,923	1,460,620	1,605,303	9.38	345,466	0	1,950,769	1,508,829
Chesterfield	415	229	2,308,159	1,317,297	990,862	7.89	0	110,538	1,101,401	1,211,939
Chichester	279	96	1,334,364	686,669	647,695	8.70	57,181	8,906	713,782	722,688
Claremont	1341	625	7,027,147	2,311,766	4,715,381	13.57	2,717,910	168,600	7,601,892	7,770,492
Clarkesville	23	20	155,336	85,043	70,293	8.02	0	26,095	96,388	122,483
Colebrook	250	125	1,341,875	354,439	987,436	14.95	594,912	0	1,582,348	1,248,812
Columbia	85	31	413,101	141,313	271,788	8.62	14,472	46,817	333,078	379,895
Concord	4236	2034	22,421,646	10,209,650	12,211,996	9.71	3,195,811	0	15,407,807	13,953,855
Conway	997	414	5,034,438	3,857,236	1,177,202	5.85	0	680,485	1,857,687	2,538,172
Cornish	172	104	990,728	392,680	598,048	11.21	255,403	0	853,451	786,045
Croydon	67	30	346,494	179,452	167,042	8.62	11,941	29,633	208,616	238,249
Dalton	99	49	529,507	201,293	328,214	11.60	149,695	0	477,908	460,940
Danbury	128	64	687,040	289,306	397,734	10.60	147,760	35,252	580,746	615,998
Danville	579	214	2,824,582	1,168,911	1,655,671	10.82	651,614	0	2,307,285	1,760,257
Deerfield	559	197	2,690,975	1,264,788	1,426,187	9.38	302,806	0	1,728,994	1,724,247
Deering	207	79	1,019,173	412,677	606,496	11.04	250,780	115,564	972,839	1,088,403
Derry	4727	2156	24,593,840	8,804,086	15,789,754	12.56	8,293,344	0	24,083,098	19,489,262
Dorchester	48	22	250,138	86,131	164,007	12.80	87,537	0	251,544	184,385
Dover	2310	995	11,798,765	8,043,218	3,755,547	6.58	0	1,290,773	5,046,321	6,337,094
Dublin	114	35	529,373	832,272	(302,899)	2.86	0	0	0	0
Dummer	41	21	221,943	148,545	73,398	5.20	0	8,989	82,387	91,376
Dunbarton	286	101	1,377,563	759,331	618,232	7.88	0	0	618,232	592,454
Durham	718	347	3,808,853	2,714,886	1,093,967	6.31	0	168,463	1,262,430	1,430,893
East Kingston	254	96	1,247,064	743,191	503,873	7.06	0	51,522	555,395	606,917
Easton	17	9	93,123	148,185	(55,062)	2.80	0	0	0	0
Eaton	38	19	203,965	208,748	(4,783)	4.39	0	0	0	14,632
Effingham	150	75	805,125	410,869	394,256	8.77	40,802	0	435,058	426,013
Ellsworth	6	7	47,209	34,542	12,667	6.05	0	3,613	16,280	19,893
Enfield	424	147	2,032,005	1,215,602	816,403	7.49	0	209,990	1,026,393	1,236,383
Epping	686	254	3,348,266	1,525,733	1,822,533	9.85	520,351	126,240	2,469,124	2,595,364
Epsom	458	207	2,375,793	1,084,294	1,291,499	9.85	368,700	0	1,660,200	1,543,580
Errol	21	12	118,344	179,400	(61,056)	2.34	0	0	0	0
Exeter	1587	737	8,306,291	4,823,612	3,482,679	7.66	0	388,052	3,870,730	4,258,782
Farmington	766	356	4,010,228	1,156,496	2,853,732	15.53	1,860,825	0	4,714,557	4,648,241
Fitzwilliam	227	122	1,250,306	617,700	632,606	9.03	98,250	104,173	835,030	939,203
Francestown	184	92	987,620	521,095	466,525	8.50	20,977	26,000	513,501	539,501
Franconia	102	45	524,979	647,173	(122,194)	3.65	0	0	0	40,405
Franklin	945	408	4,830,348	1,426,456	3,403,892	14.70	2,095,099	0	5,498,991	5,267,689
Freedom	105	41	520,451	1,141,539	(621,088)	2.05	0	0	0	0

Town	Elem. Students	H S Students	HALF Cost of Ed. At State Average	$4.54 State Tax Raises	Adeq. Grant or (Excess tax)	Additional Tax Rate for other half	Tax Cap Grant	Transition Grant	TOTAL Grant	FY03 Adequacy Grant
Fremont	421	205	2,239,087	1,086,543	1,152,544	9.29	233,857	13,287	1,399,689	1,412,976
Gilford	814	390	4,305,378	4,198,210	107,168	4.63	0	68,135	175,304	243,439
Gilmanton	393	165	1,991,271	1,004,024	987,247	8.87	122,617	54,290	1,164,155	1,218,445
Gilsum	77	42	426,426	143,850	282,576	13.15	156,613	0	439,190	300,713
Goffstown	1611	755	8,457,617	4,274,505	4,183,112	8.85	502,651	407,925	5,093,688	5,501,613
Gorham	312	161	1,693,415	626,399	1,067,016	10.05	290,910	0	1,357,925	1,161,654
Goshen	88	45	476,091	171,096	304,995	12.41	156,844	0	461,839	411,628
Grafton	130	71	720,281	243,840	476,441	13.09	262,166	0	738,607	535,651
Grantham	233	84	1,128,720	1,331,495	(202,775)	3.82	0	0	0	0
Greenfield	166	100	954,772	431,177	523,595	9.93	154,753	89,293	767,641	856,934
Greenland	368	130	1,772,686	1,798,418	(25,732)	4.33	0	0	0	0
Greenville	299	90	1,381,698	319,289	1,062,409	19.30	785,960	0	1,848,369	1,384,369
Groton	59	29	314,807	132,374	182,433	8.86	19,052	46,606	248,091	294,697
Hampstead	1148	553	6,083,119	3,347,444	2,735,675	8.20	0	355,381	3,091,057	3,446,438
Hampton	1403	576	7,059,852	9,026,631	(1,966,779)	3.46	0	0	0	0
Hampton Falls	254	74	1,164,542	1,226,540	(61,998)	4.23	0	0	0	0
Hancock	177	99	989,433	723,582	265,851	6.16	0	127,732	393,584	521,316
Hanover	586	382	3,479,194	5,251,090	(1,771,896)	2.97	0	0	0	0
Harrisville	92	34	448,798	454,073	(5,275)	4.44	0	0	0	164,938
Hart's Location	5	3	28,713	46,528	(17,815)	2.75	0	0	0	0
Haverhill	501	221	2,578,463	819,674	1,758,789	13.65	1,005,817	0	2,764,606	2,562,617
Hebron	24	12	128,820	644,716	(515,896)	0.89	0	0	0	0
Henniker	569	255	2,943,453	1,115,452	1,828,001	11.84	874,341	0	2,702,342	2,126,355
Hill	119	52	610,600	233,340	377,260	10.88	143,428	0	520,689	424,590
Hillsboro	662	296	3,422,000	1,230,329	2,191,671	12.34	1,114,481	39,652	3,345,804	3,385,456
Hinsdale	530	246	2,773,506	665,880	2,107,626	16.01	1,331,894	0	3,439,520	2,811,182
Holderness	230	104	1,193,264	1,524,299	(331,035)	3.53	0	0	0	0
Hollis	1090	432	5,426,712	4,021,631	1,405,081	6.09	0	0	1,405,081	1,307,949
Hooksett	1402	514	6,823,798	4,320,595	2,503,203	7.04	0	145,672	2,648,875	2,794,547
Hopkinton	692	308	3,571,772	1,960,168	1,611,604	7.97	0	76,426	1,688,030	1,764,456
Hudson	2,806	1,262	14,532,314	8,497,865	6,034,449	7.63	0	731,406	6,765,856	7,497,262
Jackson	64	24	313,512	990,048	(676,536)	1.43	0	0	0	0
Jaffrey	586	271	3,062,833	1,400,904	1,661,929	9.83	469,393	153,125	2,284,446	2,437,571
Jefferson	108	54	579,690	297,340	282,350	8.20	0	103,752	386,102	489,854
Keene	2153	1045	11,438,071	5,154,605	6,283,466	9.95	1,869,666	0	8,153,131	7,885,617
Kensington	269	103	1,325,701	905,742	419,959	6.51	0	0	419,959	401,436
Kingston	675	324	3,572,424	2,108,817	1,463,607	7.59	0	203,839	1,667,446	1,871,285
Laconia	1600	752	8,407,952	5,012,630	3,395,322	7.51	0	1,180,436	4,575,757	5,756,193
Lancaster	434	189	2,224,467	623,068	1,601,399	15.26	1,011,218	0	2,612,618	2,237,848
Landaff	34	13	167,491	96,272	71,219	7.71	0	40,384	111,602	151,986
Langdon	72	19	322,693	148,622	174,071	9.59	42,596	32,716	249,383	282,099

	Elem.	H S	HALF	$4.54	Adeq. Grant	Additional	Tax Cap	Transition	TOTAL	FY03 Adequacy
Town	Students	Students	Cost of Ed. At	State Tax	or	Tax Rate	Grant	Grant	Grant	Grant
			State Average	Raises	(Excess tax)	for other half				
Lebanon	1205	572	6,353,432	4,713,982	1,639,450	5.88	0	0	1,639,450	1,563,846
Lee	585	287	3,119,357	1,370,955	1,748,402	10.24	582,837	53,681	2,384,919	2,438,600
Lempster	106	55	576,457	202,898	373,559	12.47	191,783	0	565,341	489,623
Lincoln	110	57	597,927	1,736,464	(1,138,537)	1.55	0	0	0	0
Lisbon	210	84	1,048,404	293,167	755,237	15.58	488,251	0	1,243,488	1,174,026
Litchfield	1141	428	5,589,800	2,181,913	3,407,887	11.37	1,496,524	0	4,904,411	3,621,359
Littleton	658	308	3,453,044	1,408,346	2,044,698	8.67	138,290	487,974	2,670,962	3,158,936
Londonderry	3909	1702	20,034,430	8,556,931	11,477,499	10.44	4,058,644	0	15,536,143	13,006,987
Loudon	566	264	2,966,736	1,364,135	1,602,601	9.76	437,947	0	2,040,548	1,947,224
Lyman	47	16	224,140	118,852	105,288	8.22	0	38,060	143,349	181,409
Lyme	164	99	944,037	816,450	127,587	5.20	0	46,274	173,861	220,135
Lyndeborough	170	85	912,475	590,807	321,668	6.96	0	100,424	422,091	522,515
Madbury	233	118	1,256,254	494,212	762,042	11.24	326,079	0	1,088,121	1,011,475
Madison	257	133	1,396,327	1,004,887	391,440	6.23	0	57,692	449,132	506,824
Manchester	10730	4471	54,239,881	25,689,771	28,550,110	9.38	6,120,739	3,901,117	38,571,967	42,473,084
Marlborough	208	100	1,101,436	445,399	656,037	11.11	276,059	53,874	985,970	1,039,844
Marlow	86	39	446,601	167,457	279,144	11.80	131,709	0	410,853	399,487
Mason	131	52	652,504	451,023	201,481	6.50	0	51,122	252,603	303,725
Meredith	690	296	3,519,776	4,038,543	(518,767)	3.93	0	0	0	0
Merrimack	3322	1515	17,283,189	9,723,157	7,560,032	8.00	0	1,239,430	8,799,463	10,038,893
Middleton	206	94	1,071,946	385,937	686,009	12.46	355,921	0	1,041,930	829
Milan	178	72	891,648	257,060	634,588	12.97	319,593	0	954,181	799,835
Milford	1700	799	8,933,449	4,249,803	4,683,646	9.43	1,047,951	0	5,731,597	5,648,786
Millsfield	0	3	11,253	21,937	(10,684)	2.32	0	0	0	0
Milton	505	182	2,446,142	909,103	1,537,039	12.04	755,865	59,425	2,352,329	2,411,754
Monroe	68	62	470,018	180,156	289,862	2.92	0	52,111	341,973	394,084
Mont Vernon	338	121	1,634,167	699,139	935,028	10.55	344,751	0	1,279,779	908,797
Moultonborough	469	207	2,414,205	7,537,547	(5,123,342)	1.45	0	0	0	0
Nashua	9423	3779	47,080,145	29,178,604	17,901,541	7.20	0	5,795,349	23,696,891	29,492,240
Nelson	79	37	414,655	249,383	165,272	7.43	0	42,694	207,966	250,660
New Boston	596	190	2,793,922	1,433,272	1,360,650	8.78	144,789	93,760	1,599,198	1,692,958
New Castle	86	26	397,838	1,837,802	(1,439,964)	0.98	0	0	0	0
New Durham	311	121	1,539,883	883,749	656,134	7.83	0	128,478	784,612	913,090
New Hampton	210	80	1,033,400	595,420	437,980	7.62	0	190,149	628,129	818,278
New Ipswich	627	276	3,224,760	1,091,249	2,133,511	13.28	1,203,833	0	3,337,343	2,720,422
New London	299	124	1,509,232	2,439,340	(930,108)	2.79	0	0	0	0
Newbury	170	113	1,017,503	1,470,461	(452,958)	3.12	0	0	0	0
Newfields	242	68	1,100,132	796,113	304,019	6.24	0	0	304,019	206,608
Newington	77	36	403,920	2,085,093	(1,681,173)	0.73	0	0	0	0
Newmarket	780	305	3,867,815	2,100,448	1,767,367	8.31	0	443,674	2,211,042	2,654,716
Newport	817	316	4,038,280	1,151,797	2,886,483	15.67	1,892,897	0	4,779,380	4,327,649

Town	Elem. Students	H S Students	HALF Cost of Ed. At State Average	$4.54 State Tax Raises	Adeq. Grant or (Excess tax)	Additional Tax Rate for other half	Tax Cap Grant	Transition Grant	TOTAL Grant	FY03 Adequacy Grant
Newton	588	246	2,976,042	1,323,663	1,652,379	9.80	447,729	0	2,100,108	1,842,457
North Hampton	502	187	2,454,421	2,913,564	(459,143)	3.78	0	0	0	0
Northfield	580	263	3,011,873	848,486	2,163,387	15.67	1,412,450	0	3,575,837	2,776,364
Northumberland	290	139	1,534,069	381,168	1,152,901	15.24	696,379	17,919	1,867,199	1,885,118
Northwood	493	253	2,670,559	1,237,132	1,433,427	9.67	372,724	0	1,806,151	1,769,574
Nottingham	476	202	2,419,894	1,456,341	963,553	7.46	0	349,679	1,313,231	1,662,910
Orange	38	19	203,965	73,538	130,427	12.29	65,792	0	196,219	131,869
Orford	124	41	586,799	334,926	251,873	7.82	0	15,413	267,286	282,699
Ossipee	522	224	2,663,048	1,457,093	1,205,955	8.17	0	321,045	1,527,000	1,848,045
Pelham	1364	588	6,968,676	4,369,351	2,599,325	7.17	0	458,806	3,058,132	3,516,938
Pembroke	854	404	4,497,572	1,625,155	2,872,417	12.40	1,479,307	0	4,351,723	3,364,900
Peterborough	683	317	3,574,103	1,985,447	1,588,656	8.09	0	186,553	1,775,210	1,961,763
Piermont	80	37	418,147	220,610	197,537	8.46	6,657	25,481	229,676	255,157
Pittsburg	83	44	454,880	563,805	(108,925)	3.54	0	0	0	0
Pittsfield	547	266	2,907,890	689,897	2,217,993	18.56	1,603,704	0	3,821,697	3,021,626
Plainfield	283	91	1,329,577	711,861	617,716	8.34	3,147	62,087	682,950	745,037
Plaistow	981	404	4,941,056	3,185,597	1,755,459	6.89	0	88,247	1,843,705	1,931,952
Plymouth	474	228	2,510,436	864,356	1,646,080	12.88	887,879	40,857	2,574,816	2,615,673
Portsmouth	1499	683	7,796,441	12,984,218	(5,187,777)	2.64	0	0	0	0
Randolph	23	18	147,834	168,727	(20,893)	3.63	0	0	0	5,944
Raymond	1130	627	6,297,837	2,548,104	3,749,733	11.08	1,568,940	146,907	5,465,580	5,612,487
Richmond	137	63	714,717	266,283	448,434	11.95	216,838	0	665,272	581,427
Rindge	568	219	2,804,925	1,585,313	1,219,612	7.90	0	239,182	1,458,794	1,697,976
Rochester	3116	1409	16,166,231	6,428,589	9,737,642	11.28	4,233,613	317,936	14,289,191	14,607,127
Rollinsford	244	88	1,182,136	772,318	409,818	6.90	0	53,864	463,682	517,546
Roxbury	19	10	103,858	71,754	32,104	6.51	0	34,444	66,548	100,992
Rumney	176	81	918,423	455,757	462,666	8.77	46,710	95,282	604,658	699,940
Rye	539	172	2,527,360	5,403,694	(2,876,334)	2.12	0	0	0	0
Salem	3113	1431	16,238,277	13,756,480	2,481,797	5.31	0	374,086	2,855,884	3,229,970
Salisbury	154	50	725,318	340,529	384,789	9.12	63,473	0	448,262	398,310
Sanbornton	273	120	1,403,436	1,080,221	323,215	5.85	0	80,329	403,545	483,874
Sandown	791	354	4,090,026	1,531,340	2,558,686	12.02	1,256,975	0	3,815,661	2,968,709
Sandwich	115	66	649,146	1,046,511	(397,365)	2.78	0	0	0	0
Seabrook	795	308	3,931,448	3,562,267	369,181	2.67	0	508,272	877,452	1,385,724
Sharon	29	20	176,288	139,027	37,261	5.70	0	12,428	49,689	62,117
Shelburne	38	24	222,720	134,388	88,332	4.06	0	14,320	102,653	116,973
Somersworth	1190	518	6,098,498	2,444,655	3,653,843	11.16	1,550,669	77,786	5,282,297	5,360,083
South Hampton	101	34	480,226	472,302	7,924	4.55	0	29,195	37,120	66,315
Springfield	137	52	673,456	429,892	243,564	7.01	0	0	243,564	216,446
Stark	63	32	340,028	108,945	231,083	8.55	9,089	75,479	315,651	391,130
Stewartstown	91	51	509,073	170,714	338,359	10.06	87,722	80,709	506,791	587,500

Town	Elem. Students	H S Students	HALF Cost of Ed. At State Average	$4.54 State Tax Raises	Adeq. Grant or (Excess tax)	Additional Tax Rate for other half	Tax Cap Grant	Transition Grant	TOTAL Grant	FY03 Adequacy Grant
Stoddard	78	30	384,906	534,861	(149,955)	3.23	0	0	0	0
Strafford	554	255	2,891,073	1,256,694	1,634,379	10.35	565,331	0	2,199,710	1,950,080
Stratford	97	36	473,760	117,100	356,660	10.23	88,299	138,154	583,112	721,266
Stratham	962	354	4,687,158	3,584,931	1,102,227	5.82	0	65,191	1,167,419	1,232,610
Sugar Hill	56	16	255,568	377,949	(122,381)	3.03	0	0	0	0
Sullivan	68	31	353,737	112,947	240,790	13.94	142,477	0	383,267	339,318
Sunapee	362	168	1,894,272	2,464,723	(570,451)	3.46	0	0	0	0
Surry	59	25	299,803	211,675	88,128	6.36	0	39,923	128,051	167,974
Sutton	187	81	956,835	618,413	338,422	6.94	0	27,993	366,415	394,408
Swanzey	815	426	4,443,906	1,518,005	2,925,901	13.16	1,634,058	0	4,559,959	3,709,873
Tamworth	279	101	1,353,119	768,909	584,210	7.63	0	164,203	748,413	912,616
Temple	168	68	841,724	390,967	450,757	9.68	118,341	0	569,099	542,844
Thornton	185	97	1,009,867	729,972	279,895	6.14	0	150,102	429,998	580,100
Tilton	346	176	1,868,408	1,290,713	577,695	6.38	0	258,387	836,082	1,094,469
Troy	250	148	1,428,148	374,126	1,054,022	16.85	722,615	0	1,776,637	1,384,397
Tuftonboro	204	106	1,109,974	2,095,344	(985,370)	2.39	0	0	0	0
Unity	121	70	685,102	270,620	414,482	11.19	175,360	0	589,842	434,778
Wakefield	524	232	2,700,040	1,810,190	889,850	6.70	0	151,229	1,041,079	1,192,308
Walpole	393	177	2,036,283	1,136,803	899,480	7.84	0	181,331	1,080,810	1,262,141
Warner	318	143	1,646,849	768,408	878,441	9.63	223,160	43,048	1,144,650	1,187,698
Warren	90	45	483,075	144,265	338,810	12.81	169,218	35,435	543,464	578,899
Washington	109	33	504,411	473,134	31,277	4.78	0	49,647	80,923	130,570
Waterville Valley	22	5	95,579	883,351	(787,772)	0.49	0	0	0	0
Weare	1236	534	6,319,146	2,086,887	4,232,259	13.60	2,452,750	0	6,685,009	4,860,039
Webster	167	85	901,999	451,011	450,988	8.47	15,898	83,528	550,413	633,941
Wentworth	110	51	575,421	186,054	389,367	12.21	183,130	36,502	608,999	645,501
Wentworth Loc.	3	2	17,978	37,089	(19,111)	2.19	0	0	0	0
Westmoreland	162	96	925,800	437,508	488,292	9.50	114,707	0	602,999	553,670
Whitefield	234	114	1,244,742	409,427	835,315	12.22	396,697	20,249	1,252,260	1,272,509
Wilmot	146	68	764,900	395,795	369,105	8.66	29,890	0	398,995	377,485
Wilton	403	139	1,928,665	1,198,119	730,546	7.25	0	190,410	920,956	1,111,366
Winchester	514	196	2,530,084	680,044	1,850,040	16.43	1,248,575	1,266	3,099,881	3,101,147
Windham	1582	557	7,613,651	5,685,588	1,928,063	6.04	0	213,992	2,142,054	2,356,046
Windsor	21	7	99,589	65,854	33,735	6.76	0	0	33,735	12,600
Wolfeboro	672	307	3,498,181	4,033,009	(534,828)	3.94	0	0	0	0
Woodstock	150	56	733,856	684,081	49,775	4.80	0	66,081	115,856	181,937
			728,154,830	435,384,640	292,770,190	8.32				
				distributed:	326,228,863		89,922,482	28,534,016	444,685,362	443,084,490
				from donors:	33,458,673		net state cost:		411,226,688	411,632,528

Targeted Aid vs. Adequacy Aid

Town	FY04 Adequacy	FY04 Transition	FY05 Transition	Projections* FY06 Transition	FY07 Transition	FY08 Transition	FY09 Targeted Aid
Totals	$439,723,711	$449,698,163	$449,698,163	$457,883,665	$474,254,668	$503,675,528	$533,096,388
Acworth	$470,433	$512,280	$512,280	$571,968	$691,344	$760,617	$829,890
Albany	$294,471	$314,910	$314,910	$345,761	$407,464	$445,901	$484,338
Alexandria	$699,982	$713,148	$713,148	$746,416	$812,952	$874,013	$935,073
Allenstown	$3,061,895	$3,248,051	$3,248,051	$3,539,015	$4,120,942	$4,498,049	$4,875,156
Alstead	$1,184,065	$1,260,575	$1,260,575	$1,378,208	$1,613,474	$1,763,174	$1,912,874
Alton	$0	$0	$0	$0	$0	$0	$0
Amherst	$4,196,141	$4,196,141	$4,196,141	$3,582,302	$2,354,624	$2,139,096	$1,923,567
Andover	$658,204	$658,204	$658,204	$666,238	$682,305	$722,565	$762,824
Antrim	$1,806,001	$1,970,814	$1,970,814	$2,204,666	$2,672,371	$2,941,874	$3,211,376
Ashland	$793,722	$795,423	$795,423	$818,183	$863,703	$921,622	$979,542
Atkinson	$399,985	$399,985	$399,985	$299,989	$99,996	$49,998	$0
Auburn	$1,881,264	$1,881,264	$1,881,264	$1,804,566	$1,651,170	$1,695,480	$1,739,791
Barnstead	$1,964,275	$1,973,701	$1,973,701	$2,035,926	$2,160,377	$2,308,176	$2,455,976
Barrington	$3,140,312	$3,140,312	$3,140,312	$3,173,493	$3,239,854	$3,428,278	$3,616,703
Bartlett	$0	$0	$0	$0	$0	$0	$0
Bath	$531,294	$560,578	$560,578	$607,652	$701,801	$764,654	$827,507
Bedford	$2,390,852	$2,390,852	$2,390,852	$1,793,139	$597,713	$298,857	$0
Belmont	$3,090,476	$3,090,476	$3,090,476	$3,152,072	$3,275,264	$3,481,247	$3,687,231
Bennington	$788,136	$854,348	$854,348	$949,939	$1,141,122	$1,253,845	$1,366,568
Benton	$99,827	$103,665	$103,665	$110,627	$124,551	$134,936	$145,322
Berlin	$6,296,985	$6,366,844	$6,366,844	$6,611,168	$7,099,816	$7,607,545	$8,115,274
Bethlehem	$1,160,961	$1,193,940	$1,193,940	$1,261,723	$1,397,289	$1,508,097	$1,618,905
Boscawen	$1,557,963	$1,608,684	$1,608,684	$1,706,959	$1,903,508	$2,057,739	$2,211,970
Bow	$3,314,436	$3,314,436	$3,314,436	$2,991,473	$2,345,547	$2,290,251	$2,234,956
Bradford	$602,094	$610,586	$610,586	$635,997	$686,820	$736,918	$787,015
Brentwood	$787,019	$787,019	$787,019	$687,459	$488,340	$458,972	$429,603
Bridgewater	$0	$0	$0	$0	$0	$0	$0
Bristol	$1,268,414	$1,268,414	$1,268,414	$1,257,037	$1,234,284	$1,292,798	$1,351,312
Brookfield	$96,878	$96,878	$96,878	$91,863	$81,834	$83,360	$84,886
Brookline	$2,271,607	$2,271,607	$2,271,607	$2,247,247	$2,198,527	$2,300,491	$2,402,455
Cambridge	$0		$0				

Targeted Aid vs. Adequacy Aid

Town	FY04 Adequacy	FY04 Transition	FY05 Transition	Projections* FY06 Transition	FY07 Transition	FY08 Transition	FY09 Targeted Aid
Campton	$1,353,972	$1,355,155	$1,355,155	$1,392,035	$1,465,794	$1,563,125	$1,660,455
Canaan	$1,774,355	$1,787,448	$1,787,448	$1,848,835	$1,971,611	$2,109,037	$2,246,464
Candia	$1,421,761	$1,421,761	$1,421,761	$1,364,073	$1,248,697	$1,282,381	$1,316,065
Canterbury	$465,821	$465,821	$465,821	$452,845	$426,893	$442,136	$457,379
Carroll	$0	$0	$0	$0	$0	$0	$0
Center Harbor	$0	$0	$0	$0	$0	$0	$0
Charlestown	$3,311,165	$3,441,346	$3,441,346	$3,675,532	$4,143,904	$4,490,846	$4,837,789
Chatham	$81,366	$81,366	$81,366	$75,209	$62,895	$62,796	$62,696
Chester	$1,481,334	$1,481,334	$1,481,334	$1,383,792	$1,188,709	$1,197,225	$1,205,740
Chesterfield	$1,324,978	$1,324,978	$1,324,978	$1,268,218	$1,154,698	$1,183,960	$1,213,221
Chichester	$740,172	$740,172	$740,172	$734,598	$723,450	$758,351	$793,252
Claremont	$7,641,634	$7,822,081	$7,822,081	$8,226,805	$9,036,253	$9,734,267	$10,432,280
Clarkesville	$71,656	$71,656	$71,656	$58,340	$31,709	$26,017	$20,325
Colebrook	$1,361,366	$1,383,311	$1,383,311	$1,443,871	$1,564,993	$1,680,615	$1,796,236
Columbia	$428,226	$443,544	$443,544	$472,114	$529,253	$572,824	$616,394
Concord	$13,769,165	$13,769,165	$13,769,165	$13,702,175	$13,568,194	$14,243,512	$14,918,830
Conway	$2,640,010	$2,640,010	$2,640,010	$2,381,568	$1,864,685	$1,819,792	$1,774,899
Cornish	$785,939	$795,817	$795,817	$827,622	$891,231	$955,593	$1,019,955
Croydon	$168,631	$172,847	$172,847	$182,042	$200,434	$216,037	$231,641
Dalton	$551,980	$575,789	$575,789	$617,212	$700,057	$759,697	$819,336
Danbury	$517,829	$543,433	$543,433	$585,991	$671,106	$729,852	$788,598
Danville	$1,880,647	$1,880,647	$1,880,647	$1,926,776	$2,019,033	$2,150,519	$2,282,004
Deerfield	$1,874,065	$1,874,065	$1,874,065	$1,922,989	$2,020,838	$2,153,963	$2,287,087
Deering	$1,076,906	$1,146,345	$1,146,345	$1,253,167	$1,466,811	$1,602,837	$1,738,864
Derry	$19,181,610	$20,324,750	$20,324,750	$22,121,445	$25,714,835	$28,057,538	$30,400,240
Dixville	$0		$0				
Dorchester	$213,347	$232,035	$232,035	$258,777	$312,259	$343,428	$374,596
Dover	$5,139,549	$5,139,549	$5,139,549	$4,304,314	$2,633,844	$2,310,653	$1,987,462
Dublin	$0	$0	$0	$0	$0	$0	$0
Dummer	$99,422	$99,422	$99,422	$92,534	$78,757	$79,085	$79,414
Dunbarton	$695,643	$695,643	$695,643	$622,135	$475,118	$459,449	$443,779
Durham	$1,330,956	$1,330,956	$1,330,956	$998,217	$332,739	$166,370	$0

Targeted Aid vs. Adequacy Aid

Town	FY04 Adequacy	FY04 Transition	FY05 Transition	Projections* FY06 Transition	FY07 Transition	FY08 Transition	FY09 Targeted Aid
East Kingston	$598,951	$601,181	$601,181	$619,425	$655,915	$700,430	$744,946
Easton	$0	$0	$0	$0	$0	$0	$0
Eaton	$29,360	$29,360	$29,360	$22,020	$7,340	$3,670	$0
Effingham	$498,365	$519,116	$519,116	$555,673	$628,786	$681,995	$735,204
Ellsworth	$1,632	$1,632	$1,632	$1,224	$408	$204	$0
Enfield	$1,250,403	$1,250,403	$1,250,403	$1,103,041	$808,317	$769,336	$730,355
Epping	$2,516,537	$2,587,901	$2,587,901	$2,734,691	$3,028,270	$3,268,355	$3,508,441
Epsom	$1,490,698	$1,490,698	$1,490,698	$1,498,231	$1,513,296	$1,596,905	$1,680,515
Errol	$0	$0	$0	$0	$0	$0	$0
Exeter	$4,193,081	$4,193,081	$4,193,081	$4,005,033	$3,628,937	$3,715,560	$3,802,183
Farmington	$4,928,872	$5,152,465	$5,152,465	$5,534,788	$6,299,434	$6,841,388	$7,383,342
Fitzwilliam	$872,095	$872,741	$872,741	$896,363	$943,609	$1,006,200	$1,068,791
Francestown	$596,780	$611,855	$611,855	$644,575	$710,014	$765,367	$820,721
Franconia	$0	$0	$0	$0	$0	$0	$0
Franklin	$5,521,212	$5,844,604	$5,844,604	$6,355,374	$7,376,913	$8,046,401	$8,715,889
Freedom	$0	$0	$0	$0	$0	$0	$0
Fremont	$1,490,016	$1,490,016	$1,490,016	$1,473,686	$1,441,025	$1,507,656	$1,574,287
Gilford	$0	$0	$0	$0	$0	$0	$0
Gilmanton	$1,108,596	$1,108,596	$1,108,596	$1,056,546	$952,445	$973,691	$994,936
Gilsum	$346,980	$373,005	$373,005	$411,554	$488,652	$535,605	$582,557
Goffstown	$5,235,636	$5,235,636	$5,235,636	$4,949,122	$4,376,095	$4,447,541	$4,518,987
Gorham	$1,386,492	$1,395,483	$1,395,483	$1,442,050	$1,535,184	$1,641,510	$1,747,835
Goshen	$442,330	$480,380	$480,380	$535,035	$644,346	$708,371	$772,396
Grafton	$588,126	$616,051	$616,051	$663,080	$757,138	$822,871	$888,605
Grantham	$0	$0	$0	$0	$0	$0	$0
Greenfield	$727,433	$779,940	$779,940	$858,434	$1,015,421	$1,112,098	$1,208,776
Greenland	$0	$0	$0	$0	$0	$0	$0
Greenville	$1,477,665	$1,618,417	$1,618,417	$1,816,432	$2,212,462	$2,438,019	$2,663,577
Groton	$281,410	$299,659	$299,659	$327,690	$383,752	$419,386	$455,020
Hampstead	$3,250,987	$3,250,987	$3,250,987	$2,962,352	$2,385,082	$2,350,828	$2,316,574
Hampton	$0	$0	$0	$0	$0	$0	$0
Hampton Falls	$0	$0	$0	$0	$0	$0	$0

Targeted Aid vs. Adequacy Aid

Town	FY04 Adequacy	FY04 Transition	FY05 Transition	Projections* FY06 Transition	FY07 Transition	FY08 Transition	FY09 Targeted Aid
Hancock	$382,300	$382,300	$382,300	$352,950	$294,250	$293,483	$292,715
Hanover	$0	$0	$0	$0	$0	$0	$0
Harrisville	$56,781	$56,781	$56,781	$42,586	$14,195	$7,098	$0
Haverhill	$2,889,470	$2,932,006	$2,932,006	$3,055,973	$3,303,907	$3,545,854	$3,787,801
Hebron	$0	$0	$0	$0	$0	$0	$0
Henniker	$2,309,068	$2,340,696	$2,340,696	$2,437,089	$2,629,874	$2,821,200	$3,012,525
Hill	$477,654	$535,708	$535,708	$613,920	$770,344	$853,999	$937,654
Hillsboro	$3,544,558	$3,722,604	$3,722,604	$4,017,062	$4,605,980	$5,010,482	$5,414,985
Hinsdale	$3,019,525	$3,162,734	$3,162,734	$3,404,002	$3,886,538	$4,223,882	$4,561,226
Holderness	$0	$0	$0	$0	$0	$0	$0
Hollis	$1,205,113	$1,205,113	$1,205,113	$903,835	$301,278	$150,639	$0
Hooksett	$2,572,287	$2,572,287	$2,572,287	$2,095,453	$1,141,784	$938,276	$734,769
Hopkinton	$1,931,834	$1,931,834	$1,931,834	$1,769,798	$1,445,727	$1,432,103	$1,418,479
Hudson	$6,428,247	$6,428,247	$6,428,247	$5,812,921	$4,582,268	$4,482,869	$4,383,470
Jackson	$0	$0	$0	$0	$0	$0	$0
Jaffrey	$2,324,570	$2,326,220	$2,326,220	$2,389,106	$2,514,878	$2,681,653	$2,848,429
Jefferson	$470,671	$470,671	$470,671	$460,012	$438,695	$455,837	$472,980
Keene	$8,734,339	$8,828,891	$8,828,891	$9,165,129	$9,837,605	$10,539,851	$11,242,097
Kensington	$385,328	$385,328	$385,328	$342,654	$257,306	$247,237	$237,168
Kingston	$1,947,616	$1,947,616	$1,947,616	$1,802,328	$1,511,753	$1,510,848	$1,509,944
Laconia	$6,345,610	$6,345,610	$6,345,610	$6,340,783	$6,331,130	$6,660,847	$6,990,565
Lancaster	$2,484,526	$2,493,983	$2,493,983	$2,569,900	$2,721,733	$2,906,568	$3,091,403
Landaff	$119,113	$119,113	$119,113	$121,903	$127,483	$135,717	$143,952
Langdon	$254,479	$272,539	$272,539	$299,649	$353,869	$387,426	$420,983
Lebanon	$2,091,295	$2,091,295	$2,091,295	$1,568,471	$522,824	$261,412	$0
Lee	$2,498,888	$2,498,888	$2,498,888	$2,485,403	$2,458,434	$2,580,052	$2,701,669
Lempster	$517,689	$561,260	$561,260	$624,138	$749,895	$824,005	$898,115
Lincoln	$0	$0	$0	$0	$0	$0	$0
Lisbon	$1,222,557	$1,283,339	$1,283,339	$1,384,192	$1,585,896	$1,724,876	$1,863,857
Litchfield	$4,004,523	$4,004,523	$4,004,523	$4,041,859	$4,116,530	$4,353,276	$4,590,022
Littleton	$3,331,507	$3,356,722	$3,356,722	$3,472,699	$3,704,652	$3,963,223	$4,221,794
Londonderry	$13,517,647	$13,517,647	$13,517,647	$13,679,686	$14,003,765	$14,828,490	$15,653,214

Targeted Aid vs. Adequacy Aid

Town	FY04 Adequacy	FY04 Transition	FY05 Transition	Projections* FY06 Transition	FY07 Transition	FY08 Transition	FY09 Targeted Aid
Loudon	$2,054,191	$2,091,136	$2,091,136	$2,186,852	$2,378,284	$2,556,027	$2,733,770
Lyman	$175,435	$175,435	$175,435	$178,830	$185,620	$197,240	$208,861
Lyme	$180,628	$180,628	$180,628	$135,471	$45,157	$22,579	$0
Lyndeborough	$584,930	$584,930	$584,930	$589,417	$598,391	$632,286	$666,180
Madbury	$994,728	$1,019,562	$1,019,562	$1,073,767	$1,182,178	$1,274,191	$1,366,204
Madison	$448,010	$448,010	$448,010	$419,590	$362,750	$366,092	$369,435
Manchester	$44,445,524	$47,243,191	$47,243,191	$51,574,748	$60,237,860	$65,793,533	$71,349,205
Marlborough	$1,046,242	$1,092,022	$1,092,022	$1,171,275	$1,329,781	$1,443,382	$1,556,983
Marlow	$377,869	$410,847	$410,847	$458,072	$552,522	$607,622	$662,721
Mason	$233,958	$233,958	$233,958	$224,805	$206,500	$212,285	$218,069
Meredith	$0	$0	$0	$0	$0	$0	$0
Merrimack	$9,288,865	$9,288,865	$9,288,865	$8,495,389	$6,908,436	$6,832,733	$6,757,030
Middleton	$839,388	$896,328	$896,328	$982,776	$1,155,671	$1,264,106	$1,372,541
Milan	$914,130	$943,887	$943,887	$1,001,546	$1,116,863	$1,207,355	$1,297,847
Milford	$5,284,907	$5,406,382	$5,406,382	$5,682,530	$6,234,825	$6,714,725	$7,194,625
Milton	$2,538,347	$2,595,933	$2,595,933	$2,727,709	$2,991,261	$3,221,109	$3,450,956
Monroe	$424,005	$424,005	$424,005	$425,053	$427,148	$450,152	$473,156
Mont Vernon	$1,070,132	$1,086,778	$1,086,778	$1,133,699	$1,227,542	$1,317,911	$1,408,281
Moultonborough	$0	$0	$0	$0	$0	$0	$0
Nashua	$24,997,581	$25,111,065	$25,111,065	$25,895,630	$27,464,760	$29,340,132	$31,215,504
Nelson	$232,575	$244,936	$244,936	$265,024	$305,201	$332,323	$359,445
New Boston	$1,544,221	$1,544,221	$1,544,221	$1,402,216	$1,118,205	$1,098,453	$1,078,701
New Castle	$0	$0	$0	$0	$0	$0	$0
New Durham	$885,511	$885,755	$885,755	$909,276	$956,317	$1,019,519	$1,082,721
New Hampton	$765,125	$766,099	$766,099	$787,285	$829,658	$884,921	$940,183
New Ipswich	$2,578,061	$2,741,426	$2,741,426	$2,993,908	$3,498,870	$3,822,057	$4,145,243
New London	$0	$0	$0	$0	$0	$0	$0
Newbury	$0	$0	$0	$0	$0	$0	$0
Newfields	$263,520	$263,520	$263,520	$227,844	$156,491	$144,996	$133,501
Newington	$0	$0	$0	$0	$0	$0	$0
Newmarket	$2,232,145	$2,232,145	$2,232,145	$2,249,671	$2,284,724	$2,414,355	$2,543,986
Newport	$4,729,331	$4,901,130	$4,901,130	$5,219,623	$5,856,608	$6,340,047	$6,823,486

Targeted Aid vs. Adequacy Aid

Town	FY04 Adequacy	FY04 Transition	FY05 Transition	Projections* FY06 Transition	FY07 Transition	FY08 Transition	FY09 Targeted Aid
Newton	$1,975,817	$1,975,817	$1,975,817	$1,972,274	$1,965,187	$2,066,401	$2,167,616
North Hampton	$0	$0	$0	$0	$0	$0	$0
Northfield	$2,887,700	$2,999,328	$2,999,328	$3,201,408	$3,605,570	$3,906,512	$4,207,454
Northumberland	$2,004,353	$2,071,298	$2,071,298	$2,199,644	$2,456,336	$2,656,205	$2,856,074
Northwood	$1,949,323	$2,024,309	$2,024,309	$2,160,306	$2,432,301	$2,635,135	$2,837,970
Nottingham	$1,256,796	$1,256,796	$1,256,796	$1,223,202	$1,156,013	$1,198,143	$1,240,273
Orange	$138,566	$149,119	$149,119	$164,694	$195,844	$214,732	$233,619
Orford	$295,616	$295,616	$295,616	$274,309	$231,696	$232,089	$232,481
Ossipee	$1,864,513	$1,864,513	$1,864,513	$1,905,326	$1,986,952	$2,113,816	$2,240,680
Pelham	$3,045,271	$3,045,271	$3,045,271	$2,682,365	$1,956,553	$1,858,766	$1,760,979
Pembroke	$3,258,906	$3,342,932	$3,342,932	$3,523,533	$3,884,734	$4,188,465	$4,492,195
Peterborough	$2,244,569	$2,244,569	$2,244,569	$2,288,436	$2,376,170	$2,525,156	$2,674,141
Piermont	$271,876	$285,562	$285,562	$308,181	$353,418	$384,470	$415,521
Pittsburg	$0	$0	$0	$0	$0	$0	$0
Pittsfield	$2,996,072	$3,191,123	$3,191,123	$3,490,422	$4,089,020	$4,469,056	$4,849,092
Plainfield	$682,301	$682,301	$682,301	$612,430	$472,687	$458,899	$445,111
Plaistow	$1,841,649	$1,841,649	$1,841,649	$1,538,444	$932,034	$813,445	$694,856
Plymouth	$2,890,351	$2,957,007	$2,957,007	$3,108,283	$3,410,835	$3,673,484	$3,936,133
Portsmouth	$0	$0	$0	$0	$0	$0	$0
Randolph	$0	$0	$0	$0	$0	$0	$0
Raymond	$5,440,175	$5,745,966	$5,745,966	$6,234,696	$7,212,156	$7,860,818	$8,509,480
Richmond	$585,588	$612,529	$612,529	$658,377	$750,073	$814,783	$879,493
Rindge	$1,615,286	$1,615,286	$1,615,286	$1,596,298	$1,558,321	$1,629,642	$1,700,962
Rochester	$14,330,039	$14,686,395	$14,686,395	$15,465,687	$17,024,271	$18,348,603	$19,672,936
Rollinsford	$451,414	$451,414	$451,414	$361,309	$181,100	$140,825	$100,550
Roxbury	$84,275	$86,883	$86,883	$92,045	$102,370	$110,596	$118,823
Rumney	$843,508	$854,706	$854,706	$889,516	$959,136	$1,028,724	$1,098,311
Rye	$0	$0	$0	$0	$0	$0	$0
Salem	$1,744,310	$1,744,310	$1,744,310	$1,308,233	$436,078	$218,039	$0
Salisbury	$420,893	$432,886	$432,886	$457,502	$506,734	$546,938	$587,142
Sanbornton	$571,110	$571,110	$571,110	$543,715	$488,926	$499,460	$509,993
Sandown	$2,968,987	$2,972,322	$2,972,322	$3,054,030	$3,217,446	$3,431,506	$3,645,566

Targeted Aid vs. Adequacy Aid

Town	FY04 Adequacy	FY04 Transition	FY05 Transition	Projections* FY06 Transition	FY07 Transition	FY08 Transition	FY09 Targeted Aid
Sandwich	$0	$0	$0	$0	$0	$0	$0
Seabrook	$1,226,989	$1,226,989	$1,226,989	$920,242	$306,747	$153,374	$0
Sharon	$71,650	$71,650	$71,650	$68,558	$62,373	$63,939	$65,506
Shelburne	$102,399	$102,399	$102,399	$96,940	$86,021	$87,521	$89,021
Somersworth	$5,157,732	$5,208,401	$5,208,401	$5,401,110	$5,786,529	$6,196,794	$6,607,059
South Hampton	$25,637	$25,637	$25,637	$19,228	$6,409	$3,205	$0
Springfield	$336,999	$345,725	$345,725	$364,442	$401,876	$433,315	$464,755
Stark	$418,437	$442,404	$442,404	$480,501	$556,694	$606,969	$657,244
Stewartstown	$527,300	$536,046	$536,046	$559,782	$607,253	$652,248	$697,243
Stoddard	$0	$0	$0	$0	$0	$0	$0
Strafford	$1,904,460	$1,904,460	$1,904,460	$1,875,364	$1,817,171	$1,896,497	$1,975,822
Stratford	$765,595	$810,857	$810,857	$882,157	$1,024,757	$1,117,950	$1,211,143
Stratham	$1,046,064	$1,046,064	$1,046,064	$784,548	$261,516	$130,758	$0
Sugar Hill	$0	$0	$0	$0	$0	$0	$0
Sullivan	$331,608	$349,553	$349,553	$378,558	$436,567	$475,512	$514,457
Sunapee	$0	$0	$0	$0	$0	$0	$0
Surry	$184,302	$184,302	$184,302	$184,712	$185,532	$195,499	$205,466
Sutton	$440,739	$440,739	$440,739	$424,323	$391,490	$402,973	$414,456
Swanzey	$4,017,583	$4,097,518	$4,097,518	$4,293,407	$4,685,184	$5,039,384	$5,393,585
Tamworth	$952,505	$953,208	$953,208	$979,006	$1,030,602	$1,098,962	$1,167,322
Temple	$554,666	$587,777	$587,777	$639,793	$743,826	$811,616	$879,405
Thornton	$528,267	$528,267	$528,267	$519,809	$502,892	$524,620	$546,349
Tilton	$1,262,340	$1,262,340	$1,262,340	$1,224,485	$1,148,774	$1,188,169	$1,227,565
Troy	$1,418,891	$1,518,938	$1,518,938	$1,669,362	$1,970,209	$2,156,754	$2,343,300
Tuftonboro	$0	$0	$0	$0	$0	$0	$0
Unity	$527,267	$527,816	$527,816	$542,277	$571,200	$609,178	$647,155
Wakefield	$1,680,401	$1,680,401	$1,680,401	$1,573,765	$1,360,494	$1,373,004	$1,385,514
Walpole	$1,345,840	$1,345,840	$1,345,840	$1,338,303	$1,323,228	$1,388,533	$1,453,838
Warner	$1,233,685	$1,283,834	$1,283,834	$1,372,949	$1,551,180	$1,681,853	$1,812,526
Warren	$650,660	$709,175	$709,175	$792,449	$958,998	$1,055,355	$1,151,711
Washington	$24,493	$24,493	$24,493	$18,370	$6,123	$3,062	$0
Waterville Valley	$0	$0	$0	$0	$0	$0	$0

Targeted Aid vs. Adequacy Aid

Town	FY04 Adequacy	FY04 Transition	FY05 Transition	Projections*			
				FY06 Transition	FY07 Transition	FY08 Transition	FY09 Targeted Aid
Weare	$5,076,675	$5,203,130	$5,203,130	$5,479,446	$6,032,077	$6,501,425	$6,970,773
Webster	$605,349	$626,722	$626,722	$666,791	$746,930	$808,282	$869,634
Wentworth	$614,822	$658,843	$658,843	$724,781	$856,657	$938,063	$1,019,468
Westmoreland	$706,635	$710,576	$710,576	$733,583	$779,597	$833,237	$886,877
Whitefield	$1,315,548	$1,329,272	$1,329,272	$1,379,331	$1,479,449	$1,584,778	$1,690,106
Wilmot	$370,364	$370,529	$370,529	$380,437	$400,253	$426,741	$453,229
Wilton	$982,334	$982,334	$982,334	$891,726	$710,509	$697,750	$684,990
Winchester	$3,264,849	$3,413,385	$3,413,385	$3,667,119	$4,174,586	$4,533,940	$4,893,293
Windham	$2,141,828	$2,141,828	$2,141,828	$1,606,371	$535,457	$267,729	$0
Windsor	$28,126	$32,759	$32,759	$38,738	$50,696	$56,661	$62,626
Wolfeboro	$0	$0	$0	$0	$0	$0	$0
Woodstock	$0	$0	$0	$0	$0	$0	$0

***Town-by-town data are not available for calculating targeted aid grants for FY06 and later. Aggregate assumptions about inflation and population growth were used to estimate town-by-town targeted aid grants for FY06 and later.**

Current System vs. Targeted Aid/HB 717

	Targeted Aid				Projections*			
	FY03 Adequacy	FY04 Adequacy	FY04 Transition	FY05 Transition	FY06 Transition	FY07 Transition	FY08 Transition	FY09 Targeted Aid
Totals	$443,872,753	$439,723,710	$416,217,199	$423,768,740	$438,995,233	$469,448,227	$502,506,894	$535,565,562
Acworth	$454,885	$470,433	$470,433	$501,818	$564,122	$688,729	$759,310	$829,890
Albany	$296,462	$294,471	$294,471	$309,800	$341,929	$406,186	$445,262	$484,338
Alexandria	$664,882	$699,982	$699,982	$709,856	$743,947	$812,129	$873,601	$935,073
Allenstown	$2,988,367	$3,061,895	$3,061,895	$3,201,512	$3,504,110	$4,109,307	$4,492,231	$4,875,156
Alstead	$1,068,301	$1,184,065	$1,184,065	$1,241,447	$1,363,862	$1,608,692	$1,760,783	$1,912,874
Alton	$0	$0	$0	$0	$0	$0	$0	$0
Amherst	$4,497,298	$4,196,141	$3,541,543	$3,541,543	$3,091,353	$2,190,974	$2,057,271	$1,923,567
Andover	$738,141	$658,204	$555,524	$555,524	$589,228	$656,635	$709,730	$762,824
Antrim	$1,709,311	$1,806,001	$1,806,001	$1,929,611	$2,173,764	$2,662,070	$2,936,723	$3,211,376
Ashland	$775,763	$793,722	$793,722	$794,998	$817,864	$863,597	$921,569	$979,542
Atkinson	$659,805	$399,985	$337,587	$337,587	$253,190	$84,397	$42,199	$0
Auburn	$2,017,132	$1,881,264	$1,587,787	$1,587,787	$1,584,458	$1,577,800	$1,658,795	$1,739,791
Barnstead	$1,882,860	$1,964,275	$1,964,275	$1,971,345	$2,034,159	$2,159,788	$2,307,882	$2,455,976
Barrington	$3,317,670	$3,140,312	$2,650,423	$2,650,423	$2,806,076	$3,117,382	$3,367,042	$3,616,703
Bartlett	$0	$0	$0	$0	$0	$0	$0	$0
Bath	$499,308	$531,294	$531,294	$553,257	$602,162	$699,971	$763,739	$827,507
Bedford	$2,936,292	$2,390,852	$2,017,879	$2,017,879	$1,513,409	$504,470	$252,235	$0
Belmont	$3,749,353	$3,090,476	$2,608,362	$2,608,362	$2,790,487	$3,154,736	$3,420,983	$3,687,231
Bennington	$798,620	$788,136	$788,136	$837,795	$937,524	$1,136,983	$1,251,775	$1,366,568
Benton	$146,106	$99,827	$99,827	$102,705	$109,907	$124,311	$134,816	$145,322
Berlin	$5,219,978	$6,296,985	$6,296,985	$6,349,379	$6,598,069	$7,095,449	$7,605,362	$8,115,274
Bethlehem	$1,173,593	$1,160,961	$1,160,961	$1,185,695	$1,255,539	$1,395,227	$1,507,066	$1,618,905
Boscawen	$1,673,764	$1,557,963	$1,557,963	$1,596,004	$1,697,449	$1,900,338	$2,056,154	$2,211,970
Bow	$3,316,195	$3,314,436	$2,797,384	$2,797,384	$2,603,684	$2,216,284	$2,225,620	$2,234,956
Bradford	$611,928	$602,094	$602,094	$608,463	$634,405	$686,289	$736,652	$787,015
Brentwood	$744,921	$787,019	$664,244	$664,244	$595,378	$457,646	$443,624	$429,603
Bridgewater	$0	$0	$0	$0	$0	$0	$0	$0
Bristol	$1,277,699	$1,268,414	$1,070,541	$1,070,541	$1,108,632	$1,184,815	$1,268,064	$1,351,312
Brookfield	$200,549	$96,878	$81,765	$81,765	$80,529	$78,056	$81,471	$84,886
Brookline	$2,300,454	$2,271,607	$1,917,236	$1,917,236	$1,981,469	$2,109,935	$2,256,195	$2,402,455
Cambridge	$0	$0	$0	$0	$0	$0	$0	$0
Campton	$1,585,768	$1,353,972	$1,353,972	$1,354,859	$1,391,813	$1,465,721	$1,563,088	$1,660,455
Canaan	$1,690,129	$1,774,355	$1,774,355	$1,784,174	$1,846,380	$1,970,792	$2,108,628	$2,246,464
Candia	$1,489,959	$1,421,761	$1,199,966	$1,199,966	$1,197,727	$1,193,248	$1,254,656	$1,316,065
Canterbury	$566,397	$465,821	$393,153	$393,153	$398,344	$408,726	$433,052	$457,379
Carroll	$0	$0	$0	$0	$0	$0	$0	$0

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Current System vs. Targeted Aid/HB 717

	Targeted Aid				Projections*			
	FY03 Adequacy	FY04 Adequacy	FY04 Transition	FY05 Transition	FY06 Transition	FY07 Transition	FY08 Transition	FY09 Targeted Aid
Center Harbor	$0	$0	$0	$0	$0	$0	$0	$0
Charlestown	$2,966,468	$3,311,165	$3,311,165	$3,408,801	$3,651,123	$4,135,767	$4,486,778	$4,837,789
Chatham	$65,689	$81,366	$68,673	$68,673	$65,689	$59,722	$61,209	$62,696
Chester	$1,508,829	$1,481,334	$1,250,246	$1,250,246	$1,210,476	$1,130,937	$1,168,339	$1,205,740
Chesterfield	$1,211,939	$1,324,978	$1,118,281	$1,118,281	$1,113,195	$1,103,023	$1,158,122	$1,213,221
Chichester	$722,688	$740,172	$624,705	$624,705	$647,998	$694,583	$743,918	$793,252
Claremont	$7,770,492	$7,641,634	$7,641,634	$7,776,970	$8,192,972	$9,024,976	$9,728,628	$10,432,280
Clarksville	$122,483	$71,656	$60,478	$60,478	$49,957	$28,915	$24,620	$20,325
Colebrook	$1,248,812	$1,361,366	$1,361,366	$1,377,824	$1,439,756	$1,563,621	$1,679,929	$1,796,236
Columbia	$379,895	$428,226	$428,226	$439,715	$469,242	$528,296	$572,345	$616,394
Concord	$12,163,166	$11,810,340	$11,810,340	$11,871,532	$12,278,950	$13,093,786	$14,006,308	$14,918,830
Conway	$2,538,172	$2,640,010	$2,228,168	$2,228,168	$2,072,687	$1,761,725	$1,768,312	$1,774,899
Cornish	$786,045	$785,939	$785,939	$793,347	$825,769	$890,614	$955,285	$1,019,955
Croydon	$238,249	$168,631	$168,631	$171,793	$181,252	$200,170	$215,905	$231,641
Dalton	$460,940	$551,980	$551,980	$569,836	$612,747	$698,569	$758,952	$819,336
Danbury	$615,998	$517,829	$517,829	$537,032	$581,190	$669,506	$729,052	$788,598
Danville	$1,760,257	$1,880,647	$1,587,266	$1,587,266	$1,706,740	$1,945,688	$2,113,846	$2,282,004
Deerfield	$1,724,247	$1,874,065	$1,581,711	$1,581,711	$1,703,724	$1,947,750	$2,117,419	$2,287,087
Deering	$847,031	$1,076,906	$1,076,906	$1,128,985	$1,240,147	$1,462,471	$1,600,668	$1,738,864
Derry	$19,489,262	$19,181,610	$19,181,610	$20,038,965	$21,907,106	$25,643,388	$28,021,814	$30,400,240
Dixville	$0	$0	$0	$0	$0	$0	$0	$0
Dorchester	$184,385	$213,347	$213,347	$227,363	$255,272	$311,091	$342,843	$374,596
Dover	$6,337,094	$5,139,549	$4,337,779	$4,337,779	$3,702,986	$2,433,401	$2,210,432	$1,987,462
Dublin	$0	$0	$0	$0	$0	$0	$0	$0
Dummer	$91,376	$99,422	$83,912	$83,912	$80,901	$74,879	$77,147	$79,414
Dunbarton	$592,454	$695,643	$587,123	$587,123	$540,745	$447,989	$445,884	$443,779
Durham	$1,430,893	$1,330,956	$1,123,327	$1,123,327	$842,495	$280,832	$140,416	$0
East Kingston	$606,917	$598,951	$598,951	$600,623	$619,007	$655,775	$700,361	$744,946
Easton	$0	$0	$0	$0	$0	$0	$0	$0
Eaton	$14,632	$29,360	$24,780	$24,780	$18,585	$6,195	$3,098	$0
Effingham	$426,013	$498,365	$498,365	$513,928	$551,782	$627,489	$681,346	$735,204
Ellsworth	$19,893	$1,632	$1,377	$1,377	$1,033	$345	$173	$0
Enfield	$1,236,383	$1,250,403	$1,055,340	$1,055,340	$956,744	$759,551	$744,953	$730,355
Epping	$2,595,364	$2,516,537	$2,516,537	$2,570,060	$2,721,310	$3,023,810	$3,266,125	$3,508,441
Epsom	$1,543,580	$1,490,698	$1,258,149	$1,258,149	$1,323,819	$1,455,159	$1,567,837	$1,680,515
Errol	$0	$0	$0	$0	$0	$0	$0	$0
Exeter	$4,258,782	$4,193,081	$3,538,960	$3,538,960	$3,514,442	$3,465,407	$3,633,795	$3,802,183

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Current System vs. Targeted Aid/HB 717

			Targeted Aid		Projections*			
	FY03 Adequacy	FY04 Adequacy	FY04 Transition	FY05 Transition	FY06 Transition	FY07 Transition	FY08 Transition	FY09 Targeted Aid
Farmington	$4,648,241	$4,928,872	$4,928,872	$5,096,567	$5,492,865	$6,285,460	$6,834,401	$7,383,342
Fitzwilliam	$939,203	$872,095	$872,095	$872,579	$896,242	$943,568	$1,006,180	$1,068,791
Francestown	$539,501	$596,780	$596,780	$608,087	$641,749	$709,072	$764,896	$820,721
Franconia	$40,405	$0	$0	$0	$0	$0	$0	$0
Franklin	$5,267,689	$5,521,212	$5,521,212	$5,763,756	$6,294,738	$7,356,701	$8,036,295	$8,715,889
Freedom	$0	$0	$0	$0	$0	$0	$0	$0
Fremont	$1,412,976	$1,490,016	$1,257,574	$1,257,574	$1,299,354	$1,382,914	$1,478,601	$1,574,287
Gilford	$243,439	$0	$0	$0	$0	$0	$0	$0
Gilmanton	$1,218,445	$1,108,596	$935,655	$935,655	$926,840	$909,210	$952,073	$994,936
Gilsum	$300,713	$346,980	$346,980	$366,499	$406,675	$487,026	$534,792	$582,557
Goffstown	$5,501,613	$5,235,636	$4,418,877	$4,418,877	$4,336,553	$4,171,905	$4,345,446	$4,518,987
Gorham	$1,161,654	$1,386,492	$1,386,492	$1,393,236	$1,440,365	$1,534,623	$1,641,229	$1,747,835
Goshen	$411,628	$442,330	$442,330	$470,868	$527,901	$641,967	$707,181	$772,396
Grafton	$535,651	$588,126	$588,126	$609,070	$657,844	$755,393	$821,999	$888,605
Grantham	$0	$0	$0	$0	$0	$0	$0	$0
Greenfield	$856,934	$727,433	$727,433	$766,813	$848,588	$1,012,139	$1,110,457	$1,208,776
Greenland	$0	$0	$0	$0	$0	$0	$0	$0
Greenville	$1,384,369	$1,477,665	$1,477,665	$1,583,229	$1,790,041	$2,203,665	$2,433,621	$2,663,577
Groton	$294,697	$281,410	$281,410	$295,097	$324,268	$382,611	$418,815	$455,020
Hampstead	$3,446,438	$3,250,987	$2,743,833	$2,743,833	$2,581,986	$2,258,293	$2,287,433	$2,316,574
Hampton	$0	$0	$0	$0	$0	$0	$0	$0
Hampton Falls	$0	$0	$0	$0	$0	$0	$0	$0
Hancock	$521,316	$382,300	$322,661	$322,661	$308,221	$279,341	$286,028	$292,715
Hanover	$0	$0	$0	$0	$0	$0	$0	$0
Harrisville	$164,938	$56,781	$47,923	$47,923	$35,942	$11,981	$5,991	$0
Hart's Location	$0	$0	$0	$0	$0	$0	$0	$0
Haverhill Coopera	$2,562,617	$2,889,470	$2,889,470	$2,921,372	$3,047,998	$3,301,249	$3,544,525	$3,787,801
Hebron	$0	$0	$0	$0	$0	$0	$0	$0
Henniker	$2,126,355	$2,309,068	$2,309,068	$2,332,789	$2,431,159	$2,627,898	$2,820,212	$3,012,525
Hill	$424,590	$477,654	$477,654	$521,195	$603,035	$766,716	$852,185	$937,654
Hillsboro	$3,626,828	$3,544,558	$3,544,558	$3,678,092	$3,983,679	$4,594,852	$5,004,918	$5,414,985
Hinsdale	$2,811,182	$3,019,525	$3,019,525	$3,126,932	$3,377,150	$3,877,587	$4,219,406	$4,561,226
Holderness	$0	$0	$0	$0	$0	$0	$0	$0
Hollis	$1,307,949	$1,205,113	$1,017,115	$1,017,115	$762,836	$254,279	$127,140	$0
Hooksett	$2,794,547	$2,572,287	$2,171,010	$2,171,010	$1,794,495	$1,041,465	$888,117	$734,769
Hopkinton	$1,764,456	$1,931,834	$1,630,468	$1,630,468	$1,543,774	$1,370,386	$1,394,433	$1,418,479
Hudson	$7,497,262	$6,428,247	$5,425,440	$5,425,440	$5,060,815	$4,331,566	$4,357,518	$4,383,470

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Current System vs. Targeted Aid/HB 717

			Targeted Aid		Projections*			
	FY03 Adequacy	FY04 Adequacy	FY04 Transition	FY05 Transition	FY06 Transition	FY07 Transition	FY08 Transition	FY09 Targeted Aid
Jackson	$0	$0	$0	$0	$0	$0	$0	$0
Jaffrey	$2,437,571	$2,324,570	$2,324,570	$2,325,807	$2,388,796	$2,514,774	$2,681,602	$2,848,429
Jefferson	$489,854	$470,671	$397,246	$397,246	$404,944	$420,339	$446,659	$472,980
Keene	$7,885,617	$8,734,339	$8,734,339	$8,805,253	$9,147,401	$9,831,696	$10,536,896	$11,242,097
Kensington	$401,436	$385,328	$325,217	$325,217	$297,571	$242,278	$239,723	$237,168
Kingston	$1,871,285	$1,947,616	$1,643,788	$1,643,788	$1,574,457	$1,435,796	$1,472,870	$1,509,944
Laconia	$5,756,193	$6,345,610	$5,355,695	$5,355,695	$5,598,347	$6,083,651	$6,537,108	$6,990,565
Lancaster	$2,237,848	$2,484,526	$2,484,526	$2,491,619	$2,568,127	$2,721,143	$2,906,273	$3,091,403
Landaff	$151,986	$119,113	$100,531	$100,531	$107,966	$122,837	$133,394	$143,952
Langdon	$282,099	$254,479	$254,479	$268,024	$296,263	$352,741	$386,862	$420,983
Lebanon	$1,563,846	$2,091,295	$1,765,053	$1,765,053	$1,323,790	$441,264	$220,632	$0
Lee	$2,438,600	$2,498,888	$2,109,061	$2,109,061	$2,193,033	$2,360,977	$2,531,323	$2,701,669
Lempster	$489,623	$517,689	$517,689	$550,367	$615,969	$747,172	$822,644	$898,115
Lincoln	$0	$0	$0	$0	$0	$0	$0	$0
Lisbon	$1,174,026	$1,222,557	$1,222,557	$1,268,144	$1,372,795	$1,582,097	$1,722,977	$1,863,857
Litchfield	$3,621,359	$4,004,523	$3,379,817	$3,379,817	$3,573,329	$3,960,354	$4,275,188	$4,590,022
Littleton	$3,158,936	$3,331,507	$3,331,507	$3,350,418	$3,467,971	$3,703,076	$3,962,435	$4,221,794
Londonderry	$13,006,987	$13,517,647	$11,408,894	$11,408,894	$12,098,122	$13,476,577	$14,564,896	$15,653,214
Loudon	$1,947,224	$2,054,191	$2,054,191	$2,081,899	$2,179,924	$2,375,974	$2,554,872	$2,733,770
Lyman	$181,409	$175,435	$148,067	$148,067	$158,304	$178,778	$193,820	$208,861
Lyme	$220,135	$180,628	$152,450	$152,450	$114,338	$38,113	$19,057	$0
Lyndeborough	$522,515	$584,930	$493,681	$493,681	$520,980	$575,579	$620,880	$666,180
Madbury	$1,011,475	$994,728	$994,728	$1,013,354	$1,069,111	$1,180,626	$1,273,415	$1,366,204
Madison	$506,824	$448,010	$378,120	$378,120	$367,172	$345,277	$357,356	$369,435
Manchester	$42,473,084	$44,445,524	$44,445,524	$46,543,775	$51,050,185	$60,063,006	$65,706,106	$71,349,205
Marlborough	$1,039,844	$1,046,242	$1,046,242	$1,080,577	$1,162,691	$1,326,920	$1,441,951	$1,556,983
Marlow	$399,487	$377,869	$377,869	$402,602	$451,888	$550,461	$606,591	$662,721
Mason	$303,725	$233,958	$197,461	$197,461	$197,433	$197,376	$207,722	$218,069
Meredith	$0	$0	$0	$0	$0	$0	$0	$0
Merrimack	$10,038,893	$9,288,865	$7,839,802	$7,839,802	$7,408,591	$6,546,170	$6,651,600	$6,757,030
Middleton	$829,092	$839,388	$839,388	$882,093	$972,099	$1,152,112	$1,262,326	$1,372,541
Milan	$799,835	$914,130	$914,130	$936,448	$995,967	$1,115,004	$1,206,426	$1,297,847
Milford	$5,648,786	$5,284,907	$5,284,907	$5,376,013	$5,659,753	$6,227,233	$6,710,929	$7,194,625
Millsfield	$0	$0	$0	$0	$0	$0	$0	$0
Milton	$2,411,754	$2,538,347	$2,538,347	$2,581,537	$2,716,912	$2,987,662	$3,219,309	$3,450,956
Monroe	$394,084	$424,005	$357,860	$357,860	$375,444	$410,612	$441,884	$473,156
Mont Vernon	$908,797	$1,070,132	$1,070,132	$1,082,616	$1,130,578	$1,226,501	$1,317,391	$1,408,281

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Current System vs. Targeted Aid/HB 717

	Targeted Aid				Projections*			
	FY03 Adequacy	FY04 Adequacy	FY04 Transition	FY05 Transition	FY06 Transition	FY07 Transition	FY08 Transition	FY09 Targeted Aid
Moultonborough	$0	$0	$0	$0	$0	$0	$0	$0
Nashua	$29,492,240	$24,997,581	$24,997,581	$25,082,694	$25,874,352	$27,457,668	$29,336,586	$31,215,504
Nelson	$250,660	$232,575	$232,575	$241,846	$262,707	$304,429	$331,937	$359,445
New Boston	$1,692,958	$1,544,221	$1,303,323	$1,303,323	$1,221,542	$1,057,981	$1,068,341	$1,078,701
New Castle	$0	$0	$0	$0	$0	$0	$0	$0
New Durham	$913,090	$885,511	$885,511	$885,694	$909,230	$956,302	$1,019,511	$1,082,721
New Hampton	$818,278	$765,125	$765,125	$765,856	$787,103	$829,597	$884,890	$940,183
New Ipswich	$2,720,422	$2,578,061	$2,578,061	$2,700,585	$2,963,277	$3,488,660	$3,816,952	$4,145,243
New London	$0	$0	$0	$0	$0	$0	$0	$0
Newbury	$0	$0	$0	$0	$0	$0	$0	$0
Newfields	$206,608	$263,520	$222,411	$222,411	$197,012	$146,214	$139,857	$133,501
Newington	$0	$0	$0	$0	$0	$0	$0	$0
Newmarket	$2,654,716	$2,232,145	$1,883,930	$1,883,930	$1,988,510	$2,197,670	$2,370,828	$2,543,986
Newport	$4,327,649	$4,729,331	$4,729,331	$4,858,180	$5,187,410	$5,845,870	$6,334,678	$6,823,486
Newton	$1,842,457	$1,975,817	$1,667,590	$1,667,590	$1,741,103	$1,888,130	$2,027,873	$2,167,616
North Hampton	$0	$0	$0	$0	$0	$0	$0	$0
Northfield	$2,776,364	$2,887,700	$2,887,700	$2,971,421	$3,180,478	$3,598,593	$3,903,024	$4,207,454
Northumberland	$1,885,118	$2,004,353	$2,004,353	$2,054,562	$2,187,092	$2,452,152	$2,654,113	$2,856,074
Northwood	$1,769,574	$1,949,323	$1,949,323	$2,005,562	$2,146,246	$2,427,614	$2,632,792	$2,837,970
Nottingham	$1,622,910	$1,256,796	$1,060,736	$1,060,736	$1,076,157	$1,106,999	$1,173,636	$1,240,273
Orange	$131,869	$138,566	$138,566	$146,481	$162,716	$195,185	$214,402	$233,619
Orford	$282,699	$295,616	$249,500	$249,500	$239,722	$220,167	$226,324	$232,481
Ossipee	$1,848,045	$1,864,513	$1,573,649	$1,573,649	$1,687,178	$1,914,236	$2,077,458	$2,240,680
Pelham	$3,516,938	$3,045,271	$2,570,209	$2,570,209	$2,326,068	$1,837,787	$1,799,383	$1,760,979
Pembroke	$3,364,900	$3,258,906	$3,258,906	$3,321,926	$3,507,778	$3,879,482	$4,185,838	$4,492,195
Penacook	$1,790,689	$1,958,824	$1,958,824	$1,968,333	$2,034,886	$2,167,993	$2,318,583	$2,469,174
Peterborough	$1,961,763	$2,244,569	$1,894,416	$1,894,416	$2,025,821	$2,288,632	$2,481,387	$2,674,141
Piermont	$255,157	$271,876	$271,876	$282,140	$305,614	$352,563	$384,042	$415,521
Pittsburg	$0	$0	$0	$0	$0	$0	$0	$0
Pittsfield	$3,021,626	$2,996,072	$2,996,072	$3,142,361	$3,453,850	$4,076,829	$4,462,960	$4,849,092
Plainfield	$745,037	$682,301	$575,862	$575,862	$532,600	$446,077	$445,594	$445,111
Plaistow	$1,931,952	$1,841,649	$1,554,352	$1,554,352	$1,322,971	$860,209	$777,533	$694,856
Plymouth	$2,615,673	$2,890,351	$2,890,351	$2,940,343	$3,095,785	$3,406,669	$3,671,401	$3,936,133
Portsmouth	$0	$0	$0	$0	$0	$0	$0	$0
Randolph	$5,944	$0	$0	$0	$0	$0	$0	$0
Raymond	$5,612,487	$5,440,175	$5,440,175	$5,669,518	$6,177,360	$7,193,044	$7,851,262	$8,509,480
Richmond	$581,427	$585,588	$585,588	$605,793	$653,325	$748,389	$813,941	$879,493

*The projections for FY06 through FY09 were based on population and CPI growth estimates. The actual distribution of targeted aid grants will be determined on the basis of the data that is current for that year.

Current System vs. Targeted Aid/HB 717

			Targeted Aid		Projections*			
	FY03 Adequacy	FY04 Adequacy	FY04 Transition	FY05 Transition	FY06 Transition	FY07 Transition	FY08 Transition	FY09 Targeted Aid
Rindge	$1,697,976	$1,615,286	$1,363,301	$1,363,301	$1,407,309	$1,495,325	$1,598,144	$1,700,962
Rochester	$14,607,127	$14,330,039	$14,330,039	$14,597,306	$15,398,870	$17,001,998	$18,337,467	$19,672,936
Rollinsford	$517,546	$451,414	$380,993	$380,993	$308,494	$163,495	$132,023	$100,550
Roxbury	$100,992	$84,275	$84,275	$86,231	$91,556	$102,206	$110,514	$118,823
Rumney	$699,940	$843,508	$843,508	$851,907	$887,417	$958,437	$1,028,374	$1,098,311
Rye	$0	$0	$0	$0	$0	$0	$0	$0
Salem	$3,229,970	$1,744,310	$1,472,198	$1,472,198	$1,104,149	$368,050	$184,025	$0
Salisbury	$398,310	$420,893	$420,893	$429,888	$455,254	$505,985	$546,564	$587,142
Sanbornton	$483,874	$571,110	$482,017	$482,017	$476,896	$466,653	$488,323	$509,993
Sandown	$2,968,709	$2,968,987	$2,968,987	$2,971,488	$3,053,405	$3,217,238	$3,431,402	$3,645,566
Sandwich	$0	$0	$0	$0	$0	$0	$0	$0
Seabrook	$1,385,724	$1,226,989	$1,035,579	$1,035,579	$776,684	$258,895	$129,448	$0
Sharon	$62,117	$71,650	$60,473	$60,473	$60,175	$59,579	$62,542	$65,506
Shelburne	$116,973	$102,399	$86,425	$86,425	$84,959	$82,028	$85,525	$89,021
Somersworth	$5,360,083	$5,157,732	$5,157,732	$5,195,734	$5,391,610	$5,783,362	$6,195,211	$6,607,059
South Hampton	$66,315	$25,637	$21,638	$21,638	$16,229	$5,410	$2,705	$0
Springfield	$216,446	$336,999	$336,999	$343,543	$362,805	$401,330	$433,043	$464,755
Stark	$391,130	$418,437	$418,437	$436,412	$476,007	$555,196	$606,220	$657,244
Stewartstown	$587,500	$527,300	$527,300	$533,860	$558,142	$606,707	$651,975	$697,243
Stoddard	$0	$0	$0	$0	$0	$0	$0	$0
Strafford	$1,950,080	$1,904,460	$1,607,364	$1,607,364	$1,652,542	$1,742,897	$1,859,360	$1,975,822
Stratford	$721,266	$765,595	$765,595	$799,542	$873,671	$1,021,929	$1,116,536	$1,211,143
Stratham	$1,232,610	$1,046,064	$882,878	$882,878	$662,159	$220,720	$110,360	$0
Sugar Hill	$0	$0	$0	$0	$0	$0	$0	$0
Sullivan	$339,318	$331,608	$331,608	$345,067	$375,193	$435,445	$474,951	$514,457
Sunapee	$0	$0	$0	$0	$0	$0	$0	$0
Surry	$167,974	$184,302	$155,551	$155,551	$163,149	$178,344	$191,905	$205,466
Sutton	$394,408	$440,739	$371,984	$371,984	$372,756	$374,301	$394,379	$414,456
Swanzey	$3,709,873	$4,017,583	$4,017,583	$4,077,535	$4,278,419	$4,680,188	$5,036,886	$5,393,585
Tamworth	$912,616	$952,505	$952,505	$953,032	$978,874	$1,030,558	$1,098,940	$1,167,322
Temple	$542,844	$554,666	$554,666	$579,499	$633,585	$741,756	$810,581	$879,405
Thornton	$580,100	$528,267	$445,857	$445,857	$458,001	$482,289	$514,319	$546,349
Tilton	$1,094,469	$1,262,340	$1,065,415	$1,065,415	$1,076,791	$1,099,543	$1,163,554	$1,227,565
Troy	$1,384,397	$1,418,891	$1,418,891	$1,493,926	$1,650,603	$1,963,957	$2,153,628	$2,343,300
Tuftonboro	$0	$0	$0	$0	$0	$0	$0	$0
Unity	$434,778	$527,267	$527,267	$527,678	$542,174	$571,166	$609,161	$647,155
Wakefield	$1,192,308	$1,680,401	$1,418,258	$1,418,258	$1,377,158	$1,294,958	$1,340,236	$1,385,514

*The projections for FY06 through FY09 were based on population and CPI growth estimates. The actual distribution of targeted aid grants will be determined on the basis of the data that is current for that year.

Current System vs. Targeted Aid/HB 717

			Targeted Aid		Projections*			
	FY03 Adequacy	FY04 Adequacy	FY04 Transition	FY05 Transition	FY06 Transition	FY07 Transition	FY08 Transition	FY09 Targeted Aid
Walpole	$1,262,141	$1,345,840	$1,135,889	$1,135,889	$1,180,839	$1,270,740	$1,362,289	$1,453,838
Warner	$1,187,698	$1,233,685	$1,233,685	$1,271,297	$1,363,547	$1,548,046	$1,680,286	$1,812,526
Warren	$578,899	$650,660	$650,660	$694,546	$781,478	$955,341	$1,053,526	$1,151,711
Washington	$130,570	$24,493	$20,672	$20,672	$15,504	$5,168	$2,584	$0
Waterville Valley	$0	$0	$0	$0	$0	$0	$0	$0
Weare	$4,860,039	$5,076,675	$5,076,675	$5,171,517	$5,455,736	$6,024,173	$6,497,473	$6,970,773
Webster	$633,941	$605,349	$605,349	$621,379	$662,784	$745,594	$807,614	$869,634
Wentworth	$645,501	$614,822	$614,822	$647,838	$716,527	$853,906	$936,687	$1,019,468
Went. Loc.	$0	$0	$0	$0	$0	$0	$0	$0
Westmoreland	$553,670	$706,635	$706,635	$709,590	$732,843	$779,350	$833,113	$886,877
Whitefield	$1,272,509	$1,315,548	$1,315,548	$1,325,841	$1,376,758	$1,478,591	$1,584,349	$1,690,106
Wilmot	$377,485	$370,364	$370,364	$370,487	$380,406	$400,243	$426,736	$453,229
Wilton	$1,111,366	$982,334	$829,090	$829,090	$776,793	$672,198	$678,594	$684,990
Winchester	$3,101,147	$3,264,849	$3,264,849	$3,376,251	$3,639,268	$4,165,302	$4,529,298	$4,893,293
Windham	$2,356,046	$2,141,828	$1,807,703	$1,807,703	$1,355,777	$451,926	$225,963	$0
Windsor	$12,600	$28,126	$28,126	$31,601	$37,870	$50,407	$56,517	$62,626
Wolfeboro	$0	$0	$0	$0	$0	$0	$0	$0
Woodstock	$181,937	$0	$0	$0	$0	$0	$0	$0

*The projections for FY06 through FY09 were based on population and CPI growth estimates. The actual distribution of targeted aid grants will be determined on the basis of the data that is current for that year.

State of New Hampshire

GENERAL COURT

CONCORD

DATE: October 25, 2004

TO: Honorable Craig Benson, Governor
Honorable Gene G. Chandler, Speaker of the House of Representatives
Honorable Thomas R. Eaton, President of the Senate
Honorable Karen O. Wadsworth, House Clerk
Honorable Steven J. Winter, Senate Clerk
Michael York, State Librarian

FROM: Representative Frederick W. King, Chairman

SUBJECT: **FINAL REPORT OF HOUSE BILL 608-FN-LOCAL**
(Chapter 241:28, Laws of 2003)
Method of Distribution of Education Aid Under Existing Law Study

The three members of the House appointed by the Speaker were:
Honorable Frederick W. King, Chairman
Honorable David W. Hess
Honorable Norman L. Major

The three members of the Senate appointed by the President were:
Honorable Theodore L. Gatsas
Honorable Jane E. O'Hearn
Honorable Charles W. Morse

In the 2003 Legislative Session there were two funding bills introduced that dealt with the State of New Hampshire's education funding for K-12 programs and how the State's contribution to the communities in the State would be allocated. The House of Representatives passed the two bills, HB 608 and HB 717. HB 608, as amended, would have funded FY 2004 obligations with HB 717 becoming the obligation for FY 2005. Both of these bills were sent to the Senate for its consideration. The Senate found HB 717 *Inexpedient to Legislate* and replaced the House version of HB 608 with a revised version of the bill.

Both the House and the Senate adopted the final version of the legislation in June 2003. The House version of HB 608 allocated the funding for FY 2004, and the Senate version the funding for FY 2005. In addition, the final legislation established a committee of three Senators and three House members that would study and make recommendations concerning the method of distribution of education aid under existing law and any additional methods of distribution as may be deemed necessary by the committee.

The committee was directed to provide an interim report by December 15, 2003, and a final report on or before November 15, 2004.

The first meeting of the committee was held on September 25, 2003. A total of ten public hearings were held in order to allow participation of interested parties in the discussion. An interim report was filed as required on December 15, 2003. Copies of the hearings were attached to this report, along with the committee recommendations for changes in the statutes. The committee agreed with recommendations made by the Attorney General's office for certain technical corrections to the bill. The primary goal was to modify the FY 2005 funding distribution with the revisions passed by the Legislature and signed into law by the Governor prior to the date in March 2004 when the communities needed to adopt their school budgets. As a result of the information developed during the hearings, a majority of the committee filed legislation to make revisions in the funding formula for 2005. This bill was SB 302-FN-LOCAL. After a great deal of debate, this bill had undergone major substantive revisions to those perceived by the sponsors and it was finally adopted by the Legislature in late May, 2004, and became law without the Governor's signature.

The committee met again on August 5, 2004, to consider what, if any, responsibilities remained to be met prior to filing a final report. It was recognized that the committee would not be able to again recommend, if desired, new legislation to again look at the funding formula for FY 2005. It was decided that the committee would not consider further statutory revisions for FY 2006-7. However, the Department of Education did offer for the Legislature's consideration technical changes, which the committee does recommend and that are attached to this report, along with copies of our most recent meetings.

The committee would like to thank everyone who took the time to participate in our meetings and to especially thank Ms. Sandy Guinan for her assistance in recording the minutes of our sessions.

Respectfully submitted,
Representative Frederick W. King, Chair

Method of Distribution of Education Aid Under Existing Law Study
(HB 608-FN-L, Chapter 241:28, Laws of 2003)

Minutes of Regular Meeting

August 5, 2004
10:00 a.m.
Rooms 210-211 LOB
(moved from Room 209 LOB)

Members Present: Rep. Frederick W. King, Chair
Sen. Theodore L. Gatsas
Rep. Norman L. Major
Sen. Jane E. O'Hearn
Rep. David W. Hess
Sen. Charles W. Morse

Testifying: Assistant Attorney General Anne Edwards
Nicholas Donohue, Commissioner of Education
Doug Hall and Rick Minard, N.H. Center for Policy Studies
Sallie Fellows, Department of Education

All committee members being present, Chairman King called the meeting to order at 10:07 a.m. He then gave a brief history of the committee, which has met eleven times. An interim report was submitted December 15, 2003, which offered recommendations by a 4-2 vote of the committee. Chairman King then read those recommendations:

(1) *Legislation should be introduced and adopted by the legislature based on the 11/03/03 recommendations of the NH Attorney General that will clarify the statutory language of RSA 198 so that the legislative intent of HB 608 is more clearly expressed and that will facilitate the accurate implementation of the law by state agencies.*

(2) *Legislation should be introduced and adopted by the legislature based on the 12/01/03 proposal by Senator Gatsas that will modify the distribution of state education grants in FY 2005 by clarifying that special education transportation costs are included in transportation aid, that restores the previous $300 per pupil reduction in free and reduced lunch aid, that changes the threshold for eligibility for targeted aid, and that creates a separate category of transition grants in FY 2005*

Chairman King then read the minority recommendation from the interim report:

(1) *There was unanimous agreement within the committee that HB 608 as enacted in 2003 provides significant benefits for the more property-poor towns (the so called "plaintiff" towns) in the form of increased grants, and for the very property-rich towns (the "donor" towns) in the form of a greatly reduced statewide property tax. However, these benefits were derived at the expense of 116 towns (the so called "middle tier" property value towns) which will see their state grants decrease, in some instances significantly, in FY 2005 over 2004. Because the 12/2/03 proposal by Rep. Major substantially moderates those reductions, provides higher grants than the Gatsas proposal to over 90 of these towns and, in our opinion, provides a more equitable basis for distributing State education aid to all our communities, we support that proposal rather than Sen. Gatsas' proposal. Rep. David W. Hess and Rep. Norman Major.*

In light of a new formula adopted this past legislative session, the chairman asked the committee to think about the following questions: Should the committee continue to meet to develop statistics for future legislation? Does the committee have recommendations for specific legislation? Or, should we just say the committee is done with its work and end?

Chairman King then called upon Doug Hall and Rick Minard from the N.H. Center for Public Policy Studies who had compiled three position papers to share with the committee. Rick Minard discussed his report, Putting Pressure on Property Taxes, a compilation of statistical studies which shows that since the legislative reforms of 1999 to create equity in taxes, the state's share of school spending has been declining, property taxes have been rising, and taxpayer equity is eroding. The study projects that if current trends continue with the legislative constraints currently in place, in five years property taxes will double (from $1.3 billion to $2.6 billion) to keep up with declining state aid and increasing school spending. The spending per pupil has also risen, regardless of the earlier reforms. The towns with the highest tax rates ($9,000 per pupil) also had the highest increase in spending and in tax rates. Tax rates fell in the towns with the lowest rates, further indicating an inequitable trend in property tax rates for education.

Rep. Major asked if he could be provided with a copy of the data supporting the curves on the graphs in the publication, as well as the assumptions used in the figures. Rick Minard and Doug Hall said they would.

Senator O'Hearn asked Doug Hall if the state has achieved equalized assessment. He replied that the Department of Revenue Administration could better respond to that question.

Doug Hall then discussed his paper, Discrepancies Between the Intent and the Language of the Adequacy Calculations of SB 302. His concerns are that, as written and passed, SB 302 will make it very difficult for the Department of Education to carry out the intent of the law while following the language of the law. The effective dates and repeal dates for different sections of the bill need to be combined so that the terminology and method of calculating will be clear and consistent. For example, the term "base cost per pupil" is used in the prior law, which other parts of SB 302 have repealed. The new term is "average per pupil adequacy cost."

Doug Hall asked how does the Department of Education calculate cost based on SB 302? The intent is clear, but the language isn't.

Senator Gatsas said he thinks the intent was to use base cost derived from 2003 and then apply the Consumer Price Index for the base cost of 2004, so they wouldn't come up with an absurd number.

Doug Hall agreed. He then discussed his next paper, Targeting of Adequacy Aid, stating that the Supreme Court, through its decisions and opinions, has allowed education aid to be targeted, as long as it is based on "the cost of a constitutionally adequate education." Not all school districts have the same financial needs for education funding. Targeting districts can be done by using demographic and socioeconomic information, but he suggested coming up with a formula first and then getting the results for each town, rather than starting with each town. A town-by-town comparison might result in an immediate comparison which could unfairly influence the results.

Assistant Attorney General Anne Edwards shared the next segment with Commissioner Donohue and Sallie Fellows of the Department of Education. Attorney Edwards stated that there are two pending lawsuits relative to SB 302, so her discussion and answers to questions would have to be somewhat guarded, depending on what specific issues were touched upon. She explained that the state has filed pleadings on the existing law regarding legislative intent and how it is reflected with the submission of spreadsheets. It is the state's position that school-funding issues having House and Senate spreadsheets as part of the record is acceptable to understand and explain these increasingly complex issues.

In responding to a question from Senator Gatsas, Attorney Edwards stated that spreadsheets were never entered into the record of HB 608, but were included in the record of SB 302. He then asked what is done when there is ambiguity between intent and language in a law. Attorney Edwards said that they look at the language first and then search for the legislative intent.

Senator Gatsas asked Sallie Fellows if back when the $60 million shortfall was discovered, was it with the '04 or '05 distribution? She replied that it was for '05. He further asked if there were spreadsheets for that and she didn't believe so. Ms. Fellows informed the committee that the distribution payment schedule for '05 is: 9/1/04 – 20 %; 11/1/04 – 20%; 1/1/05 – 30%; 4/1/05 – 30%.

Senator Gatsas asked Commissioner Donohue what the Department of Education does when there is a discrepancy in the law, and he replied that they would go to the Attorney General.

Senator Morse questioned the purpose of the committee, in light of the recent charge that SB 302 is unconstitutional.

Chairman King said that constitutionality was never an issue before and doesn't think it is now, but the committee's purpose is to make recommendations for changes to the new law.

There was discussion on whether money not used from the Education Trust Fund could be used by a municipality for something else. Attorney Edwards said it should be looked into if there are concerns, but the law needs to be followed and it has to be spent on schools.

Chairman King asked if there were any representatives of the School Boards Association or members of the public wishing to speak, and there were none.

Chairman King then stated that he had asked State Treasurer Michael Ablowich what he thought about the state distributing property tax money directly to the school districts after all the towns had sent their money to the state. Mr. Ablowich thought they could turn it around in 15 days. He offered to discuss this proposal at an upcoming meeting if the committee desired.

Rep. Major stated that if the Treasurer was invited, the committee should also ask the Municipal Association. Chairman King added that the Department of Revenue Administration would also need to join the discussion.

Rep. Hess liked the idea and it provides clarity, but similar attempts have been "clobbered."

Senator O'Hearn also likes the idea, but she doesn't believe it will go. However, it should still be investigated.

Senator Gatsas then directed a statement to Rep. Hess regarding the spreadsheets in 2003. He said they weren't available to the committee because of client/attorney privilege, and the committee never saw when the technical corrections were made.

Rep. Hess responded that this is the reason they want spreadsheets in the record now.

There being no further discussion, Chairman King adjourned the meeting at 12:15 p.m., with the next meeting to be held on August 19, 2004. It was recommended to change the time from 10:00 a.m. to 11:00 a.m.

Method of Distribution of Education Aid Under Existing Law Study
(HB 608-FN-L, Chapter 241:28, Laws of 2003)

Minutes of Regular Meeting

August 19, 2004
10:00 a.m.
Rooms 210-211 LOB
(moved from Room 209 LOB)

Members Present: Rep. Frederick W. King, Chair
Sen. Theodore L. Gatsas
Rep. Norman L. Major
Sen. Jane E. O'Hearn
Rep. David W. Hess
Sen. Charles W. Morse

Testifying: Nicholas Donohue, Commissioner of Education
Doug Hall and Rick Minard, N.H. Center for Policy Studies
Sallie Fellows, Department of Education
Rep. Tom McCormick, New London
Rep. Mark Carter, Peterborough
Dean Michener, Associate Director, N.H. School Boards Association

All members being present, Chairman King called the meeting to order at 10:25 a.m. and distributed the minutes from the August 5, 2004, meeting.

Doug Hall and Rick Minard from the N.H. Center for Policy Studies appeared before the committee to answer additional questions relative to their presentation at the last meeting.

Rep. Major stated that he had received information from them on the computer and had questions regarding the formula used in Figure 7 (page 8) from "Putting Pressure on Property Taxes." It was agreed that Mr. Hall and Mr. Minard will meet separately with Rep. Major to go over specific technical questions.

Chairman King reminded those present that the committee is responsible for giving recommendations to the Speaker and Senate President of any possible changes in the distribution formula.

There being no further questions for Mr. Hall and Mr. Minard, Chairman King called upon Dean Michener of the School Boards Association to offer any comments. Mr. Michener expressed the frustration of school districts not knowing how much money they will be receiving, especially since there are increasing requirements for the school districts and declining state aid.

Commissioner Donohue appeared next. Chairman King asked him if he knew the distribution amounts for September 1st.

Commissioner Donohue said that he had talked with Anne Edwards of the Attorney General's Office and they are currently verifying data. He stated they will be ready to make the data public any day now.

Chairman King asked if the distribution would be different from what the spreadsheets indicate.

Commissioner Donohue said perhaps a little, but not significantly in a negative way.

Senator Gatsas asked if the Attorney General included homeschoolers in the '05 distribution.

Chairman Donohue stated that he believed they are not included.

Senator Gatsas asked if they were excluded by law or from the spreadsheet.

Sallie Fellows stated that it was in the law of '03. They didn't repeal the definition in HB 608, but the ADM changed so homeschoolers would not be included.

Chairman King said the committee might want to make recommendations to clarify the inclusion or exclusion of homeschoolers by making a technical correction in the next session.

Appearing next was Representative Tom McCormick, who had formulated a funding proposal for the committee's consideration based on the fiscal capacity of towns to meet their funding needs. His figures are a compilation of a town's population and median household income as compared to the state average.

Representative Hess then spoke in reference to a letter (dated August 12, 2004) which he sent to Chairman King addressing his concerns that the committee's work has been stretching outside the scope of the charge outlined in HB 608.

Chairman King wondered how the committee can make recommendations unless it understands existing law.

Representative Mark Carter of Peterborough asked if the committee is looking for new funding proposals.

Chairman King responded in the negative stating that there is no time for public hearings nor does the committee get enough exposure to write a piece of legislation. However, committee members may decide to pursue legislation individually.

Senator Morse stated that he didn't want another bill to become law with constitutional questions looming again.

Chairman King agreed. He said that before a vote, the bill should be studied to see if it may be perceived as being unconstitutional.

The next meeting is scheduled for September 16, 2004, at 1:00 p.m. The State Treasurer is expected to appear at that time to speak in regard to alternative methods of distributing property tax money back to the towns.

Chairman King adjourned the meeting at 11:20 a.m.

Method of Distribution of Education Aid Under Existing Law Study
(HB 608-FN-L, Chapter 241:28, Laws of 2003)

Minutes of Regular Meeting

September 16, 2004
1:00 p.m.
Rooms 210-211 LOB

Members Present: Rep. Frederick W. King, Chair
Sen. Theodore L. Gatsas
Rep. Norman L. Major
Sen. Charles W. Morse

Testifying: Michael Ablowich, State Treasurer
George Blatsos, Commissioner of Revenue Administration
Nicholas Donohue, Commissioner of Education
Sallie Fellows, Department of Education
Doug Hall and Rick Minard, N.H. Center for Policy Studies

Chairman King called the meeting to order at 1:05 p.m. and distributed the minutes from the August 19, 2004, meeting.

The chairman then asked Rep. Major, who had spoken again with Rick Minard and Doug Hall, if his questions had been answered. Rep. Major replied that he was satisfied with the clarification he received.

Chairman King recommended to the committee that there be one more meeting to finalize the final report. Since there is no change in the 2005 distribution, the committee will just make suggestions to the legislature on how to make the law easier to understand. He will present a draft report at the next meeting. The members present had no objection.

Sen. Gatsas stated that he would like to know what money is actually going to education, when it has been reported that some municipalities, such as Nashua, use a portion of the money to enhance their rainy day fund. No one present could respond to his concern.

The chairman then called upon Michael Ablowich, State Treasurer, who distributed a handout and discussed an estimated timeline for statewide property tax collections and their remittance to the state. The proposal would include collection to be finished at the local level by August 1, payment to the state by August 15, and payment from the state to the municipality by September 1. This would happen two times a year to correspond with the twice-a-year property tax billings of most municipalities. The second cycle would likely be February 1, February 15 and March 1. Mr. Ablowich said that it couldn't be done once a year because a large amount would go to the school districts at once, which would create an imbalance between the municipality and the school district. Some towns even distribute the money to the school districts monthly.

George Blatsos, Commissioner of the Department of Revenue Administration, stated that the way the system is now, the department deals directly with the towns, not the school districts. The state will have to know how all funds are applied. All education aid figures come to Revenue Administration from the towns.

Commissioner Nicholas Donohue and Sallie Fellows of the Department of Education appeared with a handout for the committee on recommended legislative changes. One recommendation was to clarify that kindergarteners are included in the free/reduced lunch. After reviewing the spreadsheets for SB 302 and discussing the subject with the Attorney General, it was felt that the intent of the bill was to include kindergarteners among school children eligible for free/reduced lunch.

Another suggestion was to change wording in the CPI adjustment to state that: *"...the average per pupil adequacy cost calculated for the previous biennium shall be **adjusted*** (rather than ***multiplied**) by 2 times the average annual percentage rate of inflation..."* to reflect the current rate of inflation.

Sen. Gatsas asked what the cost for 2005 was based on, and Sallie Fellows responded that it was covered in Section 25 of SB 302 (it is the same for the biennium); therefore no CPI was applied for 2005.

Next Ms. Fellows spoke of another recommended change to 198:38: *"Average daily membership in attendance" means average daily membership in attendance, as defined in RSA 189:1-d, III* [delete: ***as of September 30th***] *of the second school year preceding the year in which the calculation is made."* This way, the Department of Education's ADM figures would have had time for verification and correction since they are required to wait until November 15 of the following year before publishing Adequacy Aid allocations.

Another recommendation to the committee by the Department of Education was to replace the term "base cost per pupil," which is old language, with "average per pupil adequacy cost" in Section 25 of SB 302. The remainder of SB 302 uses "average per pupil adequacy cost."

Doug Hall stated that he thought the Department of Education's recommendations would solve problems for the future.

Chairman King stated that the final meeting would be Thursday, October 7, 2004, at 1:00 p.m. Before then, he would do a draft of the final report, including suggestions that have been made by the Department of Education and others.

The meeting was adjourned at 2:05 p.m.

Method of Distribution of Education Aid Under Existing Law Study
(HB 608-FN-L, Chapter 241:28, Laws of 2003)

Minutes of Regular Meeting

October 7, 2004
1:00 p.m.
Rooms 210-211 LOB

Members Present: Rep. Frederick W. King, Chair
Sen. Theodore L. Gatsas
Rep. Norman L. Major
Sen. Jane E. O'Hearn
Rep. David W. Hess
Sen. Charles W. Morse

Chairman King opened the meeting at 1:05 p.m.

Finalizing the draft report of the committee, which had been mailed to the members, was the focus of the meeting.

Rep. Hess offered an amendment to page 2 of the draft, which mentioned an opinion released by the Attorney General's Office.

Chairman King stated that he didn't feel the committee's report should include such as a statement of fact when it had not been formally presented to the committee.

Sen. Gatsas agreed.

Sen. O'Hearn said that Chairman King had a valid point, but she understood why Rep. Hess brought it up. She wondered if it were put into the report, would it mean the committee supported what the courts have stated.

Chairman King said the committee has had to be careful while lawsuits are still ongoing.

A discussion ensued on whether any future funding legislation should be first sent to the Attorney General for an advisory opinion on whether it would be constitutional. Some members felt it would be an awkward position for that office, even though they have suggested technical corrections.

Sen. O'Hearn asked if there should be a continuation of the committee to deal with education funding. Chairman King said it would be up to the Speaker and Senate President.

Before the committee voted on the final report, Rep. Hess recommended that the two sentences beginning on line 5 of page 2 regarding the 2005 state funding amount and the statewide property tax rate be deleted.

Sen. Gatsas moved to accept the report with the deletion of those two sentences. Sen. O'Hearn seconded. The vote was unanimous to approve the report with that change.

Chairman King then adjourned the meeting at 1:30 p.m.

Department of Education
September 16, 2004

Adequacy Aid Study Committee

Free/Reduced

In the new formula each town receives additional aid of base equal to 60% of the base cost ($2,034 for FY05) for each eligible F/R student. More specific language is needed to explain how kindergarten students should be treated. In the past, kindergarten students have not been included. The FY05 formula of 608 specified grades 1 -12. SB302 does not specify grades. The kindergarten counts are low because meals or milk are not always offered to ½ day kindergarten students. FY05 counts:

Free/Reduced meals grades 1 -12:	*30,595*
Free/Reduced meals kindergarten:	*805*
Free Milk kindergarten:	*314*

Possible language:

198:41 Targeted Aid; Determination of Adequate Education Grants.

I. A municipality shall receive aid for **resident** low income pupils which shall be calculated by multiplying the average per pupil adequacy cost,[~~determined in RSA 198:40, I,~~] by 0.6 and multiplying the result by the number of pupils **in grades kindergarten through 12** in the municipality eligible to receive a free or reduced-price meal **or free milk** as reported to the department.

CPI Adjustment for FY06 and beyond

If the current language is applied literally the base cost for FY06/07 would be only $190 ($3,390 X 5.6%).

Suggested language for amendment:

200:7 New Subparagraph; Determination of Average Per Pupil Adequacy Cost; Consumer Price Index Adjustment; Version Effective July 1, 2005. Amend RSA 198:40, I by inserting after subparagraph (c) the following new subparagraph:

(d) For each biennium beginning July 1, 2005 and every biennium thereafter, the average per pupil adequacy cost calculated for the previous biennium shall be [~~multiplied~~] **adjusted** by 2 times the average annual percentage rate of inflation for the immediately preceding 4 calendar years based on the northeast region consumer price index for all urban consumers, as published by the Bureau of Labor Statistics, United States Department of Labor.

Definition of ADM

By September 30, ADM has been collected, but not completely verified or audited. The verification and audit process always identifies errors that are corrected after September 30. The 2004 HB1281 requires that the Department wait until November 15th of the following year before publishing Adequacy Aid

allocations. Since aid figures can't be published until then, there is no reason to not use the correct figures.

Suggested amendment:

198:38 Definitions. In this subdivision:

V. "Average daily membership in attendance" means average daily membership in attendance, as defined in RSA 189:1-d, III, [~~as of September 30th~~] of the second school year preceding the year in which the calculation is made.

FY06

Section 25, where the per pupil amount for FY05 is set, refers to this amount as the "Base Cost Per Pupil" (old language). The rest of SB302 uses "Average Per Pupil Adequacy Cost." The inflation adjusted "Base Cost Per Pupil" of $3,390 specified in section 25 has been used to determine aid for FY05.

RSA 198:40 specifies how to calculate the "Average Per Pupil Adequacy Cost" for each biennium using test performance results and actual per pupil expenditure. That figure was never calculated for FY04 because it was not needed. Section 25 was used instead. Effective for FY06, Section 6 of SB302 adds a new paragraph on the end of 198:40 that changes "Average Per Pupil Adequacy Cost" from a calculated figure based on performance, to a figure adjusted by inflation.

A literal interpretation of how to determine the per pupil amount for FY06 would be to take the never calculated, never used, FY04 "Average Per Pupil Adequacy Cost" per RSA 198:40, and adjust that figure by inflation. This would result in a figure about $200 higher than the figure you would get if you adjused the FY04 $3,390 for inflation.

There may be a better way to correct this situation, but one way might be to change the words "calculated for" to "used in

(d) For each biennium beginning July 1, 2005 and every biennium thereafter, the average per pupil adequacy cost [~~calculated for~~] **used in** the previous biennium shall be [~~multiplied~~] **adjusted** by 2 times the average annual percentage rate of inflation for the immediately preceding 4 calendar years based on the northeast region consumer price index for all urban consumers, as published by the Bureau of Labor Statistics, United States Department of Labor.

Committee Report

STATE OF NEW HAMPSHIRE

SENATE

REPORT OF THE COMMITTEE

Date: May 15, 2003

THE COMMITTEE ON Education

to which was referred House Bill 608-FN-L

AN ACT (New Title) reducing the education property tax rate and relative to the calculation of adequate education grants.

VOTE: 3-2

2003-1656s

Having considered the same, report the same with the following amendment and recommend that the bill: **AS AMENDED OUGHT TO PASS.**

Senator Jane E. O'Hearn
For the Committee

HB608 Docket

Bill Title: (New Title) reducing the education property tax rate and relative to the calculation of adequate education grants.

Date	Body	Description
1/9/2003	H	Introduced and ref to Ways & Means; HJ 12, p201
1/28/2003	H	Report due 3/6/2003
2/4/2003	H	Hearing Feb 11 10:00 RM202,LOB
2/28/2003	H	Educ Subcom Work Session Mar 3 2:30 RM202,LOB
2/28/2003	H	Educ Subcom Work Session Mar 4 1:30 RM202,LOB
3/4/2003	H	Educ Subcom Work Session Mar 5 2:30 RM202,LOB
3/4/2003	H	Educ Subcom Work Session Mar 6 8:30 RM202,LOB IF NEEDED
3/4/2003	H	Educ Subcom Work Session Mar 6 after session RM202,LOB IF NEEDED
3/6/2003	H	Maj Report OTP/AM for Mar 12 (Vote 11-10;Reg)
3/6/2003	H	Min Report ITL
3/6/2003	H	Prop Maj Am{0139}(New Title); HC20, p468-469
3/12/2003	H	Comm Am{0139}, AA VV; Rep Almy Fl Am{0633}(New Title), Rep Vaillancourt moved to Postpone, ML
3/12/2003	H	RC(141-213); Fl Am{0633}, AL RC(128-228); Passed with Am and ref to Finance RC(205-151);
3/12/2003	H	HJ 23,p574-584
3/12/2003	H	Hearing Mar 20 4:00 RMs210-211,LOB (NOTE TIME CHANGE)
3/13/2003	H	Fin DivIV Subcom Work & Exec Sess Mar 22 9:30 RMs210-211,LOB
4/2/2003	H	Fin Maj Report OTP/AM for Apr 10 (Vote 13-9;Reg)
4/2/2003	H	Fin Min Report OTP/AM
4/2/2003	H	Prop Fin Maj Am{1105}; HC31, p1031-1034
4/2/2003	H	Prop Fin Min Am{1127}(New Title); HC31, p1034-1035
4/10/2003	H	Fin Maj Am{1105}, AA RC(215-153); Fin Min Am{1127}, AL RC(151-218); Rep Weyler Fl
4/10/2003	H	Am{1227}, AL RC(76-289); Passed with Am RC(217-146); HJ 34, p1112-1125 + 1143
4/17/2003	S	Introduced and Ref. to Education; SJ 13, Pg.331
4/24/2003	S	Hearing; April 30, 2003, Room 105-A, SH, 1:15 p.m.; SC20
5/1/2003	S	Hearing; === RECONVENE === May 7, 2003, Room 105-A, SH, 3:45 p.m.; SC21
5/16/2003	S	Committee Report; Ought to Pass with Amendment{1656},(New Title), [05/22/03]; SC23, Pg.20-26
5/22/2003	S	Committee Amendment{1656},(New Title), RC 19Y-5N, AA; SJ 17, Pg.426-432
5/22/2003	S	Sen. Below Floor Amendment{1763},(New Title), RC 6Y- 17N, AF; SJ 17, Pg.432-433
5/22/2003	S	Sen. Estabrook Floor Amendment{1761}, RC 6Y-17N, AF; SJ 17, Pg.433-434
5/22/2003	S	Sen. Foster Floor Amendment{1765}, RC 6Y- 17N, AF; SJ 17, Pg.434
5/22/2003	S	Ought to Pass with Am {1656},(New Title), RC 19Y- 5N, MA; Refer to Finance [Rule 26]; SJ 17, Pg.434

6/3/2003	**S**	Committee Report; Ought to Pass with Amendment{1982},(New Title), [06/05/03]; SC25A, Pg.44-50
6/5/2003	**S**	Committee Amendment{1982},(New Title), RC 19Y-5N, AA; SJ 19, Pg.602-608
6/5/2003	**S**	Ought to Pass with Amendment{1982},(New Title), MA, VV; SJ 19, Pg.608
6/5/2003	**S**	Sen. Clegg Rules Suspension for 3rd Reading and Final Passage 2/3 nec., MA, VV; SJ 19, Pg.608
6/5/2003	**H**	House Nonconc with Sen Am, req Conf Comm, Rep Kurk MA RC(178-89); HJ 47, p1542-1544
6/5/2003	**H**	(Spkr appts Reps: King, Hess, Major & J Gilbert)
6/5/2003	**S**	Senator O'Hearn Accede to House Request For Committee of Conference, MA, VV
6/5/2003	**S**	President Appoints; Senators Green, Morse, Below
6/5/2003	**S**	Senator Gatsas Replaces Senator Green
6/5/2003	**S**	President Appoints; Senator O'Hearn [Alternate]
6/10/2003	**H**	Conf Comm Meeting June 12 1:00 RM202,LOB
6/13/2003	**H**	Continued Conf Comm Meeting June 13 10:00 RM202,LOB
6/18/2003	**S**	Conferee Change; Senator O'Hearn Replaces Senator Below
6/19/2003	**S**	Committee of Conference Report; New Am.{2254}, Filed;
6/24/2003	**S**	Conference Committee Report{2254}, RC 18Y-6N, Adopted
6/24/2003	**H**	Conf Comm Report Adopted RC(196-154);

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Docket Abbreviations