

Highlights of the House Bill 684

- Fulfills the principal objective of the Claremont rulings by aiding communities most in need
- Provides a workable long-term solution so communities, and schools, can plan ahead
- Based on national and NH education research
- No longer pits community against community for scarce education dollars
- Uses available resources efficiently by targeting Education Trust Fund monies
- Can be constitutionally defended because ETF is proportionately raised
- Eliminates the Statewide Property Tax
- Returns education dollars to local control
- Requires grants to be spent on education within two years
- Based on the education funding formulas used in 41 other states but tailored to New Hampshire's unique needs
- Uses nationally recognized target of state average per-pupil spending as a measure of "adequacy"
- Measures local need by number of students. Extra weight given for additional cost of educating high school students, also extra costs for students in categories of low income free & reduced lunch, special ed or limited English proficiency.
- Weighs local need against local fiscal capacity, including household income as a more accurate measure of town's ability to meet its educational needs
- Includes a 5-year transition to full targeted aid in 2011, giving towns time to adjust to new formula
- After transition, growth in costs equals the percentage increase in the Northeast CPI plus percentage increase in total K-12 pupils; current law has no cap on grants funded in State Budget