



New Hampshire State Senate **NEWS RELEASE**

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Senate Announces Education Funding Plan

Aim is to create stability and maintain current adequacy funding level

(Concord) The state Senate rolled out its bi-partisan Education Funding Plan at a press conference in Concord today. The legislation seeks to create a predictable funding mechanism that provides stability to the state and local school district budgets while reducing town versus town tensions over funding. Under this proposal, the current education adequacy grant base funding level is maintained, with only slight changes in order to establish a calculation better focused on students. The bill's prime sponsors are Sen. Jim Rausch (R-Derry) and Sen. Nancy Stiles (R-Hampton).

Some of the other specifics include:

- Establishes FY 2011 funding as the baseline and allows state funding levels to increase or decrease based primarily on the number of students in a district.
- Eliminates fiscal disparity aid, a flawed calculation based on outdated data and arbitrary funding levels.
- Eliminates donor towns by allowing excess property tax revenues raised in a town to be used by the town.
- Creates a stabilization grant that provides a set appropriation to assist cities and towns in funding the cost of education.

After discussing the bill's funding elements, Rausch said, "I wanted to reform the formula without opening past educational funding debates. I wanted to solve a problem, not fight old battles." He added, under this plan, "No town wins and no town loses. We have heard the message from property tax payers – their rates cannot go up any further."

Stiles focused on the adequacy component saying, "Our formula adjusts the differentiated aid components so that all students in our state are treated the same. We're targeting the dollars based on the students who need them the most, no matter where they live."

Governor John Lynch was unable to attend the event but stated his support for the plan in a letter read by Sen. Jeb Bradley (R-Wolfeboro): "I believe your proposed legislation moves us in the right direction, helping to meet the goals of ensuring sustainability, avoiding dramatic decreases to state aid for some communities, and averting the return of donor towns."

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