

BOARD OF SELECTMAN EFFINGHAM, NEW HAMPSHIRE

Subject: School Funding Crisis

Our Town Board of Selectmen is contacting you to bring your attention to a major crisis the Town of Effingham is facing this year and has been facing the last nine years. There is an urgent need to have action by our State government before our town is forced to cut many essential services that we have worked so hard over the years to obtain and maintain.

We are enrolled in the Governor Wentworth Cooperative School District and over the last nine years we have seen the school tax rate rise and fall. The increases unfortunately are more the norm than the decreases and, of course, more expensive. This coming year our Town is going to see a two dollar and ninety-eight cent (\$2.98) increase. Averaging out the last nine years, we have had a total increase of six dollars and twenty-two cents (\$6.22) when our fellow co-op towns over the same period saw increases of one dollar fifty cents to three dollars (\$1.50 - \$3.00).

As you know, many factors affect the increase, but the major factor in all of our Town tax rate swings is the Average Daily Membership (ADM). In the proportion formula, ADM heavily effects our Town, even small changes as our small Town is considered property poor. A twenty-five (25) student increase has caused the school to increase our Town school tax by four hundred and ninety-seven thousand dollars (\$497,000). This is a twenty four percent (24%) increase compared to our Town operating budget.

It would be impossible for most towns, cities or the State government to operate when in one year you have an unexpected budget increase of twenty four percent.

An additional factor that is causing our town tax rate to rise was the passing of HB-2 in 2015 amended by Senate bill SB151FM, which is phasing out the stabilization grants for property poor towns. This is causing our Town to absorb an additional thirteen thousand dollars (\$13,000) compounded on a yearly basis.

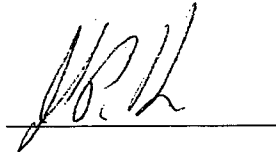
We are sure that our community is not alone in the State, but we are unsure if others are in such perilous standings as our Town.

We are requesting your help to explore alternate methods to current school funding (RSA 195:7) such as using the equalized value calculation for fairness. This method would spread the burden based on ability to pay, more in line with our constitution which states, "taxation should be proportional". Your support of HB 551-FN is critical to the survival of the property poor towns including the Town of Effingham.

Additionally, your support of HB 177-FN (the restoration of the stabilization grant) would be extremely helpful for property poor towns would include the Town of Effingham.

Your help in this critical effort is greatly appreciated.

Thank you very much for your time considering this matter.



John Meisner



Michael Cahalane



Charles Fuller

April 23, 2019