

HB 1636 Testimony on behalf of the Dover School Board

Members of the House Executive Departments and Administration:

My name is Micaela Demeter and I am testifying on behalf of the Dover School Board where I am currently serving in my third term. The Dover School Board supports HB 1636 because it represents a good-faith step toward identifying feasible and fair revenue streams that will start to provide more for our state's constitutional responsibility to fund an adequate education.

In recent litigation, the New Hampshire Supreme Court affirmed the State's existing funding formula is constitutionally insufficient and established a minimum conservative threshold for base adequacy funding that the Legislature must respect. While the Court deferred on timing for compliance, the Legislature now faces the responsibility to develop a realistic plan to close the \$500 million gap between current adequacy aid and what the Court says is necessary to ensure all students receive a constitutionally adequate education.

HB 1636 is a practical and thoughtful approach to that challenge. Instead of ad-hoc or reactionary proposals, the bill requires the NH Department of Revenue Administration to produce a systematic analysis of revenue options and clear, objective information about their anticipated effects. Bill language specifically accounts for measuring the impact on residents in lower income brackets - a population that historically has struggled under our current regressive property taxation structure. The information gained from this analysis will equip policymakers, school boards, local officials, parents, and citizens with credible, data-driven information needed for informed decision-making as we head into 2027 and the start of a new biennial budget. If this action isn't taken now, we will once again be left without the tools needed to solve the growing problem.

For Dover, and for districts across the state, the consequences of under-funding education are real: increasing pressure on local property taxes, limitations on programming, and inequitable opportunities for students. Because New Hampshire relies so heavily on local property taxes to fund its schools, inadequate state aid shifts the burden onto municipalities and homeowners through a regressive system that disproportionately impacts lower- and middle-income residents. Ensuring adequate state funding is therefore not only about meeting our constitutional obligation to students, but also about providing meaningful relief to local property taxpayers who are carrying a growing share of the cost under the current system. A thorough, transparent study of revenue options - one that considers tax burdens on businesses and residents in all tax brackets - is an important step toward addressing these burdens fairly.

For these reasons, the Dover School Board strongly encourages the Committee to support HB 1636. Thank you.