

# STATE REVENUE SHORTFALL

HINSDALE SCHOOL BOARD BUDGET COMMUNITY FORUM – 1/31/2019

The Hinsdale School Board worked hard to create a 2019/2020 fiscal year budget that will fund the needs associated with providing Hinsdale students with a quality education, while keeping in mind that many of our local taxpayers cannot afford an increase in their taxes. While many communities across our country face a similar budget challenge, the challenge for administrators, the School Board, and the Budget Committee in Hinsdale is by far more daunting, because our state pays so little towards K-12 education. To make matters even worse New Hampshire continues to cut our Stabilization revenue. The Stabilization Aid was cut by about \$200,000 over the past two years. All our State Fiscal Disparity Aid, more than \$2 million for Hinsdale, was cut in 2012. The cut of Fiscal Disparity Aid, now called Stabilization Aid, was spread out over time and postponed to begin in 2017.

When the Claremont education funding lawsuit was decided by the New Hampshire Supreme Court in 1997, New Hampshire was last among the 50 states in state aid as a percentage of school revenue. Actually, if New Hampshire's state aid had been tripled, New Hampshire would still have been last. Following the Claremont decision state education aid to Hinsdale jumped in one year from \$736,712. to \$3,464,567. In percentage terms the state contribution jumped from about 14% of Hinsdale expenditures for schools to more than 60%. The school tax rate dropped from \$19.87 per thousand to \$8.76 per thousand in the year following the Claremont decision. However, in the past decade the legislature has significantly reduced funding to Hinsdale, first by cutting the entire State funding for teacher retirement which represented an additional local taxpayer obligation for school district personnel of more than \$853,549.00 in our current year. The state retirement contribution had been in place for more than 50 years. And as previously stated the State added to our local property tax bill by about \$200,000 over the past two years by cutting our Local Disparity Aid, now called Stabilization Aid. Nationally, state aid to schools has increased this year by an average of 4.9%.

By pushing the cost of education, "a state responsibility" down to local taxpayers, the disparity of tax rates in towns drives even more educational inequity. Some towns in New Hampshire have more than 20 times the amount of taxable property per student as other towns. Hinsdale administrators and Hinsdale Board members, Holly Kennedy and James O'Malley, met with all our State Representatives, including Lucy Weber, Paul Birch, Cathy Harvey, and Mike Abbott on December 14, 2018, at which time we outlined our concerns related to funding. All our state representatives are sympathetic to our concerns. The first issue we spoke to was the reduction in Stabilization Aid. Hinsdale resident and State Representative Mike Abbott, has sponsored a bill to be introduced this session that, if passed, would result in no additional cut in Stabilization Aid to Hinsdale over the next two years. The bill, if passed into law, would save Hinsdale taxpayers about \$100,000 each of the next two years. Our State Senator Jay Kahn, is aware of the bill and anticipates a similar bill on the senate side.

The second issue we discussed when we met with our area legislators is that of Special Education Aid, a state revenue stream that is currently reimbursing Hinsdale at only 70.228% of the funds that are required by law. Payments are prorated based on the shortfall appropriation and paid in the fiscal year after the expenditures were incurred. Over the past decade there has never been any catch up on prior years' shortfalls. Our State Senator, Jay Kahn, has introduced legislation this session regarding special education funding. His bill would require the state to meet current obligations. As with all the other unreimbursed costs, the erosion of this aid impacts local property taxes.

Hinsdale continues to stand out as a district that acquires a high percentage of state and federal grants to offset local taxes. As a percentage of our expenditures, we typically procure approximately 10% more in grant funds than is common among New Hampshire Districts.

For example, we have received more than \$100,000 this year from the state for safety upgrades to our school buildings. Our School Resource Officer Marcello D'Allesandro, our Director of Technology Debbie Trabucco, and our Business Administrator Tom O'Connor all participated in the grant application process. The security items funded were all identified as areas of need in the Hinsdale School District security audit completed in the spring of 2016.

Another example is the \$157,580 grant we received this year to fund our Hinsdale Afterschool Program (HASP). It would be difficult to overestimate the importance of the Hinsdale Afterschool Program to Hinsdale students and families. Many of our Hinsdale students depend on HASP for a safe place between 3:30-6:00 each school day and for breakfast and/or an afterschool snack. Students complete homework and enhance their math and reading skills with the help of staff and volunteers. Both elementary school students and middle school students have access to Hinsdale computer labs and to the staff needed to help improve the student's technology related skills. These computers are connected to the internet. Many Hinsdale students struggle with reliable access to the internet from home. Hinsdale students who attend our after school program have access to our amazing elementary school drama program. In addition, our HASP students benefit from physical exercise during a best practice physical exercise program. There are days when more than 100 Hinsdale K-8 students participate in HASP.

In an effort to generate other sources of revenue, the Hinsdale Education Foundation was formed in March of 2017. The Hinsdale Education Foundation has been approved as a 501 (c) 3 nonprofit and is now registered with both the IRS and the New Hampshire Attorney General's Office. The officers of the Hinsdale Education Foundation are as follows: President, Jim O'Malley; Secretary, Steve Bonnette; Treasurer, Frank Moriarty. Other Hinsdale Education Foundation members include Board Chair Holly Kennedy and District Clerk Ann Diorio. The Foundation Board members are hopeful that individual contributions and/or business/corporate contributions may help support our Hinsdale schools without adding to the property tax bill.