

Statement of Mark Decoteau
Chair, Education Coalition Communities 2.0
NH House of Representatives Education Funding Committee
House Bill 675
January 30, 2025

Dear Mr. Chairman and Members of the Committee,

My name is Mark Decoteau I am the Waterville Valley Town Manager, and I currently chair the Education Coalition Communities 2.0, a group of 21 member cities and towns that have come together to ensure that any future funding solution for state aid to education does not unfairly mandate that tax money raised in one town be sent to another town to be appropriated by way of the Department of Revenue Administration.

On behalf of the member municipalities of Education Coalition Communities 2.0, I appear before you today to oppose House Bill 675.

This bill seeks to yet again establish an unfair funding scheme that this Legislature repealed in 2011 and considered and dismissed as recently as last legislative session. House Bill 675 has the same flaws as past actions, namely requiring towns to tax their citizens and give the money to another town with no accountability. Under this flawed scheme, the State is saying every town must tax its citizens for education purposes through SWEPT but not every town will be able to spend the dollars raised for education through SWEPT in that community. I would like this committee to know that every dollar now raised through SWEPT is spent on local education purposes in all New Hampshire communities. There is no such thing as “excess” dollars within education funding in our state.

Under this bill, millions of additional dollars will have to be raised by towns through the local property tax. In the town I work for, we currently raise \$764,000 through the SWEPT portion of the tax rate. All that money is used for educational purposes, and we also spend additional funds for education through the local education portion of the tax rate. Under this bill, we will have to raise a little more than \$1.6M through the SWEPT portion of the tax rate and we will have to send approximately \$1.3M or 81% of that amount to the state. Once we send those funds to the state, we will have to raise the amount again through our local education tax rate to fund our schools. That is a \$1.79/\$1,00 increase in our overall property tax rate and our taxpayers will have no say in how it is spent. This bill proposes having similarly situated municipalities being treated differently. Additional assessments will have to be made in other communities throughout NH.

At this point I would point out another issue that we see with this bill. As raised last year during discussions of proposed funding bills and amendments, as the amount of funding per pupil increases, the number of so-called ‘donor’ communities increases. There are

currently 27 communities with so called ‘excess’ SWEPT dollars. As we look at the financial information related to this bill, 47 communities would become ‘donor’ communities by having to send additional dollars back here to Concord. Remember, every one of those dollars will have to be raised again through the local education portion of the tax rate to fund our schools.

If our towns do not want increases in our total taxes, then all education and municipal priorities will be impacted. Our taxpayers will be forced to reassess school budgets with potential negative impacts on education programs. This seems to be the opposite of the intent of any increase in education funding within New Hampshire.

Members of the Committee, I urge you to reject this bill’s fallacy of “free money” from what some consider rich towns. Do we consider towns such as Freedom, Bridgewater, or Hebron rich towns? They all ‘donate’ funds under the provisions of this bill. This bill creates winners and losers across the Granite State and has the potential to negatively impact our municipal and school budgets in many ways.

House Bill 675 creates an unfair redistribution of property tax revenue. This failed policy has been tried before and repealed. It does nothing but cause more acrimony in our municipalities. There is no inherent fairness, accountability or fiscal responsibility in this bill. The bill simply takes education funding from one community and redistributes it to other communities, thereby increasing the tax burden of some property owners over others.

Education Coalition Communities 2.0 appreciates the challenges in addressing school funding in our State. We care deeply about ensuring a quality education for our children and we will continue our support for a fair and comprehensive approach for education funding in New Hampshire. Working with legislators, community leaders and the general public, our members are confident that an appropriate resolution can be developed that does not treat different towns disproportionately or differently.

Thank you, Mr. Chairman. I will be happy to try and address any questions you or the members of the committee may have on my testimony.