**Testimony in favor of HB 177**
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I support HB 177.

The so-called "Stabilization Aid" component of the state's current aid to school districts is highly targeted to the poorest school districts. In 2012 $158.5 million was distributed to 179 of 245 towns. Towns with the greatest property wealth per student generally received nothing.

As you know, this component of state aid has been reduced by 8% already and another 4% reduction is scheduled for 2019/2020. Because of the way this aid is targeted, the poorest school districts lose the most.

The following table displays the losses for some selected towns and the increase in their property tax **each year** necessary to make up for each year's loss.

| Municipality | 4% Annual Loss | Tax increase every year to replace 4% loss | Lost State Aid per Student Every Year | 2017 Equalized Local School Tax Rate |
|---|---|---|---|---|
| Berlin | $219,824 | $0.55 | $204.09 | $17.02 |
| Claremont | $251,312 | $0.36 | $145.34 | $22.62 |
| Farmington | $116,584 | $0.26 | $132.66 | $14.06 |
| Haverhill | $84,391 | $0.24 | $140.35 | $19.83 |
| Rochester | $351,072 | $0.15 | $84.23 | $11.37 |
| Derry | $346,349 | $0.12 | $68.21 | $15.01 |
| Manchester | $498,178 | $0.06 | $35.67 | $7.85 |
| Nashua | $191,757 | $0.02 | $16.58 | $9.21 |
| Gilford | $14,553 | $0.01 | $14.50 | $8.40 |
| Bedford | $0 | $0.00 | $0.00 | $10.46 |
| Hooksett | $0 | $0.00 | $0.00 | $10.65 |
| Dover | $0 | $0.00 | $0.00 | $9.88 |
| Hampton | $0 | $0.00 | $0.00 | $6.31 |
| Portsmouth | $0 | $0.00 | $0.00 | $4.67 |
| Moultonborough | $0 | $0.00 | $0.00 | $1.96 |

Generally speaking, the towns with the highest tax rates are hurt the most by the 8% in reduced aid that has already occurred and the 4% that will occur next year if no change is made. Does it really make sense to remove state aid from those towns that have the least capability to make up the difference?

Congratulations to the sponsors of HB177. They have brought the inequities before you for discussion.

HB177 could be improved by also reversing the 8% cuts that have been made and restoring "Stabilization Aid" to its 2012 level. I urge you to consider doing that through an amendment.