

## **THE EFFECT OF STATE REVENUES ON LOCAL TAXES**

In New Hampshire most of the funding for public education comes from local property taxes, so it is easy to see that as school budgets increase, local taxes increase proportionally. This has been the case for the past years when the state revenue formula for schools was fairly constant and predictable. Now, with new state aide revenue formulas projected for FY10, this no longer is the case.

Consider, for example, the proposed Souhegan school budget is an increase of only 2.09% over the previous year's. This translates roughly to a projected tax increase of \$4 on a \$400,000 Amherst home, while this same increase equals a \$144 increase on the same home in Mont Vernon. Why the difference? The reason lies in the different revenues Souhegan is projected to receive from the State of New Hampshire. Amherst is getting more this year than last year; Mont Vernon is getting less. So the amount the Towns are projected to contribute must differ.

When casting your vote on the school budgets March 10th in Amherst and Mont Vernon and on March 13th on the floor of the Mont Vernon District Meeting, please consider that while tax revenues may vary from year to year, the level of educational services to our young people cannot fluctuate this wildly. We cannot add a program one year because of a surge in State revenues nor cut it the next because of a decline. The continuity of services is essential to our students as they move from grade to grade.

SAU 39, in all of its Districts, believes that it has brought forward lean, sensible budgets that support long-term, sustainable educational objectives. It is up to you, the taxpayers to decide if these proposals fit your long-term budgets and your expectations of an excellent education for all.