

Strengthening K-12 Education Quality and Funding in New Hampshire

Outcomes, Equity, And How New Hampshire Pays For Its Schools

NEW HAMPSHIRE FORUM · JUNE 2026 · VERSION 2 (INCORPORATES EXPERT REVIEW)

New Hampshire residents raised questions about the quality of K-12 education and how the state's schools are funded. Participants pointed to literacy and math proficiency, differences between higher- and lower-performing schools, whether grades and graduation reflect real learning, the role of classroom technology, and how well schools prepare students for college, careers, and citizenship. Those concerns are tied to how schools are paid for: New Hampshire funds schools largely through local property taxes and contributes the lowest state share of K-12 funding in the nation, which shapes equity across districts and the ongoing debate over what a constitutionally adequate education requires. This brief does not assign blame or recommend a single fix. It maps how New Hampshire measures outcomes, how it funds schools, what current data show, and the trade-offs across instruction, funding, equity, measurement, technology, and educator support.

WHAT NEW HAMPSHIRE RESIDENTS ARE SAYING

"One of the biggest challenges is the continual decline of our education and low ranking compared to other states."

[P1]

"All across the nation students are graduating from high school with extremely poor proficiency in English and mathematics. Colleges have complained about the number of students that are placed into remedial courses."

[P1]

"We need to be having broader conversations about what kids growing up today will need to know to be successful citizens and members of the workforce. Teachers need more support, kids need more discipline."

[P1]

These comments show concern and lived experience. They are not used as proof of statewide proficiency, ranking, grade-inflation, remediation, funding, or technology-effect facts unless separately supported by public sources.

KEY STATISTICS

264 vs. 257

New Hampshire's 2024 NAEP[†] grade 8 reading average was above the U.S. average of 257, but 34% proficient and below the state's 2003 level. [S2]

Above avg., below half

New Hampshire beat national averages in grade 4 and 8 reading and math on the 2024 NAEP, yet proficiency[†] stayed below 50% in every tested subject and grade. [S2]

30%

New Hampshire's 2024 SAT junior-class math proficiency, down from 35% in 2023; reading proficiency was 63%. [S3]

Lowest state share

New Hampshire funds the lowest state share[†] of K-12 public education of any state (roughly 30% of school revenue); local property taxes carry most of the rest. [S8]

7th vs. 33rd

New Hampshire ranks near the top nationally in per-pupil revenue from all sources but 33rd in per-pupil revenue from state sources, so resources depend on local tax capacity. [S8] [S9]

2025 adequacy ruling

The New Hampshire Supreme Court reaffirmed the state's duty to fund a constitutionally adequate education[†] and agreed the base adequacy aid[†] statute was unconstitutional. [S10]

OPTIONS AND CHALLENGES

The options below are broad directions people could consider. They are not recommendations; each addresses a different part of the quality-and-funding problem and raises trade-offs.

Option family	Problem this responds to	What it might try to change	Key trade-off or challenge	What residents may want to discuss
Increase or redesign state education funding and adequacy	New Hampshire funds the lowest state share of K-12 in the nation, and a court has found the base adequacy aid statute unconstitutional.	The <u>adequacy aid</u> [†] formula, base and differentiated aid, the state share, fiscal-capacity measures, what counts as an adequate education, and how special-education costs are shared.	More state funding requires revenue, spending shifts, or both, and raises state-versus-local control questions.	What should the state guarantee and fund, and what should stay local?
Strengthen literacy and math instruction	Proficiency is below half on several measures, and reading and math need different supports.	Implement <u>evidence-based literacy instruction</u> [†] , math interventions, screening, tutoring, and teacher training.	Results depend on training, materials, money, and time; the state's literacy law does not take effect until 2027.	Which grades and skills should come first, and what evidence would show it is working?
Target resources to high-need schools and close gaps	Outcomes, including graduation, vary widely across schools, and districts differ in tax base and capacity; high-cost special-education needs also fall unevenly.	Direct funding, staffing, and intervention to lower-performing schools and higher-need students.	Statewide targeting can promote equity but may strain local control and town <u>fiscal capacity</u> [†] .	How should the state support struggling schools without overriding local decisions?
Clarify how outcomes are measured	Residents question whether grades and graduation reflect real learning (the <u>grade-inflation</u> [†] concern).	Improve transparency across grades, test scores, and graduation requirements; align expectations.	More measures can inform, but narrow metrics or testing pressure can distort instruction.	What mix of grades, tests, and other evidence best reflects learning?
Manage classroom technology	Residents raised concern about the role and effects of technology and screens.	Set device, screen-time, and instructional-technology guidance and digital-literacy expectations.	Evidence on technology effects is mixed; rules must fit different ages and subjects.	Where does technology help learning, and where should it be limited?
Modernize what students learn	Residents asked what students need to know for work and citizenship.	Update curriculum, career and technical education, civics, and durable skills.	Adding content competes for time and money; "relevance" is defined differently by different people.	What should every New Hampshire graduate know and be able to do?
Support educators and classroom climate	Residents said teachers need more support and classrooms need workable conditions.	Recruitment, retention, compensation, mentoring, planning time, behavior and discipline supports, and class conditions.	Supports cost money and time, and discipline approaches are debated.	What would most improve teaching conditions and student behavior?

CROSS-CUTTING TRADE-OFFS

State funding vs. local control: more state funding can promote equity, but New Hampshire has a strong tradition of local decision-making.

Spending vs. outcomes: more money does not automatically raise results, but under-resourced high-need schools may struggle to improve.

Equity funding vs. fiscal capacity: districts with smaller tax bases can raise less per pupil locally than wealthier ones.

Rigor vs. support: high expectations matter, but students who are behind need help to meet them.

Faster help vs. long-term change: tutoring and screening can act sooner; funding formulas, teacher pipelines, and the 2027 literacy law take longer.

Measurement vs. distortion: more transparency can inform, but teaching to a narrow test can distort learning.

Technology benefits vs. downsides: tools can support learning but may affect attention and instruction.

Federal mandates vs. local budgets: federally required special-education services come with limited federal funding, so rising costs compete with other local priorities and press on property taxes.

KEY QUESTIONS

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| 1 Which should New Hampshire prioritize first: early literacy, math, readiness, closing school-to-school gaps, or the funding structure behind them? | 2 What should the state guarantee and fund as a "constitutionally adequate education," and how should that relate to outcomes? |
| 3 How should residents weigh grades, test scores, and graduation rates together? | 4 How should the state fund and support high-need schools without overriding local control? |
| 5 What evidence would convince you that outcomes are genuinely improving, not just measured differently? | 6 What should every New Hampshire graduate know and be able to do for work and citizenship? |
| 7 How should classroom technology be used, and where should it be limited? | 8 What should count as the cost of a constitutionally adequate education, and which components should the state fund? |
| 9 How should New Hampshire pay for special education, given that federal funding covers only a small share of the cost? | |

STATE OF PLAY

How New Hampshire is doing depends on the comparison. On the 2024 Nation's Report Card (NAEP), New Hampshire students scored above the national average in grade 4 and grade 8 reading and math. At the same time, proficiency remained below half in every tested subject and grade, and grade 8 reading proficiency (34%) was below the state's 2003 level (40%). State tests tell a similar story: on the New Hampshire Statewide Assessment System for grades 3-8, reading and math proficiency improved modestly in 2024 and 2025 but stayed below 2019 levels, with math lower than reading, and the 2024 SAT junior class showed 30% math proficiency, down from 35% in 2023. [S1] [S2] [S3]

Funding is part of the same story. New Hampshire funds the lowest state share of K-12 public education in the nation. NHFPI reports the state contributed about 31% of school revenue in fiscal year 2021, ranking last among states as a share of local school revenue, even as New Hampshire ranked seventh in revenue per pupil from all sources. Because schools rely heavily on local property taxes, districts with different tax bases can raise very different amounts per pupil, which contributes to disparities across communities. [S8] [S9]

A major driver of both cost and district-to-district differences is special education. About one in five New Hampshire students

receives services required under federal special-education law (the 1975 law now known as IDEA). Federal and state funds covered only about 17% of those costs in 2023-24, leaving the rest—more than \$800 million—to local property taxpayers, and the state's dedicated Special Education Aid has been prorated below what districts qualified for in recent years (about 68% of eligible requests in fiscal year 2025, down from roughly 98% in 2022). Because high-cost services fall unevenly across districts, they weigh most heavily on communities with smaller tax bases. [S12] [S13]

The legal backdrop is active, and it turns on what "base adequacy" must include. In 2025, the New Hampshire Supreme Court reaffirmed the state's constitutional duty to determine the cost of, and sufficiently fund, an adequate education, and agreed the base adequacy aid statute was unconstitutional, while leaving the remedy to lawmakers. Courts found the state's base adequacy aid (about \$4,182 per pupil in 2024-25) left out real costs of running schools—among them transportation, school nurses, and facilities—and identified a "conservative minimum" cost of at least \$7,356.01 per pupil. Outcomes also vary across schools: graduation rates range from near 100% at some schools to roughly 70% at some larger schools, often tracking student need. [S7] [S10] [S14]

HOW THIS WORKS IN NEW HAMPSHIRE

New Hampshire is a strong local-control† state. Districts and chartered public schools make many curriculum, instruction, staffing, grading, and technology decisions, while the state sets standards, administers statewide assessments, publishes accountability data, and enacts some statewide requirements. A single statewide policy may shape expectations but still depends on local implementation. [S5]

Schools are funded through a mix of local property taxes, state aid, and a smaller federal share. The state distributes adequacy aid† based on a per-pupil formula, and the Statewide Education Property Tax† is a state education tax that is collected locally. Since 2005 that tax has been set to raise a fixed statewide total—about \$363 million—rather than at a flat rate, so as property

values rise the rate per \$1,000 generally falls while the dollar total stays the same (RSA 76:3). Because most school revenue comes from local property taxes and the state share is the lowest in the nation, a district's resources depend heavily on its property-tax base, or fiscal capacity†. Communities with more taxable value per pupil can raise more locally at a lower tax rate than communities with less. Per-pupil spending figures also include special-education costs, which are concentrated among a small share of students, so average spending can look higher than what a typical classroom receives. [S8] [S9] [S11] [S12] [S15]

Measurement comes from several sources that capture different things. NAEP is a national sample-based test used for state

comparisons; the NH Statewide Assessment System tests grades 3-8 annually; the SAT is used at the high school level; and graduation rates measure completion, not proficiency. Grades are set locally. New Hampshire has also moved on

literacy: the 2024 literacy law (RSA 189:53, enacted through HB 1015) requires evidence-based literacy instruction through grade 5, effective July 1, 2027. [S1] [S2] [S4]

HOW NEW HAMPSHIRE COMPARES

New Hampshire generally outperforms national averages on NAEP, but neighboring Massachusetts scored slightly higher in 2024 in grade 4 and grade 8 reading and math. The sharper contrast is in funding: New Hampshire ranks near the top nationally in per-pupil revenue from all sources but ranks last in the state share, contributing roughly 30% while local property taxpayers carry most of the cost. States that fund a larger share at the state level rely less on local tax capacity, which can reduce district-to-district disparities. The useful comparison for residents is not just ranking but design: how states balance state and local funding, support high-need schools, approach reading

and math instruction, measure outcomes, and prepare students. [S2] [S8] [S9]

Readiness comparisons matter too. The resident concern about students placed into remedial college courses reflects a national debate about college and career readiness. New Hampshire offers early-college and dual-enrollment† pathways, such as the Community College System of New Hampshire's Running Start, that let students earn college credit in high school. Whether such pathways, instruction changes, funding changes, or readiness measures best address the concern is part of what residents may want to discuss. [S6]

WHAT IS CURRENTLY BEING TRIED, PROPOSED, OR DEBATED

Area	What is happening	Why residents may care
School-funding adequacy	The 2025 Supreme Court ruling keeps pressure on the state to fund an adequate education while leaving the remedy to lawmakers. [S10]	The case shapes how much the state must fund and how local taxes may be affected.
State share and adequacy aid	New Hampshire funds the lowest state share in the nation; recent budgets adjusted base per-pupil aid. [S8] [S9]	The state share affects equity across districts and pressure on local property taxes.
Special education funding	Federal and state funds cover only about 17% of New Hampshire special-education costs, and the state's Special Education Aid has been prorated below eligible amounts in recent years. [S12] [S13]	These federally mandated costs fall mainly on local property taxpayers and vary sharply by district.
Early literacy	New Hampshire's 2024 literacy law (RSA 189:53) requires evidence-based literacy instruction through grade 5, effective July 1, 2027. [S4]	Reading instruction shapes long-term outcomes, but results will take years.
Statewide assessment	NH SAS and SAT results are published annually and show below-pre-pandemic proficiency, especially in math. [S1] [S3]	Residents can track whether outcomes improve over time.
Readiness pathways	Dual-enrollment and early-college programs such as Running Start let high schoolers earn college credit. [S6]	These pathways speak to the college- and workforce-readiness concern.
School-to-school gaps	Analyses of graduation and outcome data highlight variation across schools and student groups, which tracks differences in need and capacity. [S7]	Gaps affect which students and communities need more support.

GLOSSARY

† Defined in Glossary.

- **NAEP (Nation's Report Card):** A national assessment that tests representative samples of students, used to compare states and track trends in reading and math.
- **NH SAS (New Hampshire Statewide Assessment System):** The state's annual test of English language arts and math in grades 3-8, plus science in select grades.
- **Proficiency:** Performing at or above a defined achievement level on a test; it is not the same as passing or graduating.
- **Evidence-based literacy instruction:** Reading instruction grounded in research, including phonemic awareness, phonics, fluency, vocabulary, and comprehension.
- **Grade inflation:** A concern that grades or graduation rates rise without matching gains in measured learning.
- **Adequacy aid / base adequacy:** State funding distributed to districts toward the cost of a constitutionally adequate education, generally on a per-pupil basis. In the ConVal case, courts found the state's base adequacy amount left out real cost components (such as transportation, school nurses, and facilities) and set a minimum threshold above \$7,356 per pupil.
- **Constitutionally adequate education:** New Hampshire's constitutional duty, defined through the Claremont and ConVal cases, to determine the cost of and sufficiently fund an adequate education.
- **Statewide Education Property Tax (SWEPT):** A state education tax that is assessed and collected at the local level. Since 2005 it has been a fixed-yield tax: the state sets it to raise about \$363 million statewide each year, so the rate falls as property values rise (RSA 76:3).
- **Special education / IEP:** Services a public school must provide to eligible students with disabilities under federal law (IDEA), documented in an Individualized Education Program (IEP).
- **Unfunded mandate:** A service a government is legally required to provide but does not fully fund; in New Hampshire, special education is often described this way.
- **State share / local share:** The portion of school funding that comes from state government versus local property taxes.
- **Fiscal capacity:** A community's ability to raise revenue from its local property-tax base, which varies by district.
- **Dual enrollment / early college:** Programs that let high school students earn college credit, such as Running Start.
- **Local control:** New Hampshire's tradition of leaving many education decisions to local districts and chartered public schools.

SELECTED SOURCES

Source key: `P` sources are Forum process inputs, such as Phase I resident input. `S` sources are public source materials used for factual, legal, program, or background claims.

- [P1] Phase I Input: ../00-phase-i-intake/phase-i-input.md
- [S1] New Hampshire Department of Education, State Assessment Data (NH Statewide Assessment System): <https://www.education.nh.gov/who-we-are/division-of-educator-and-analytic-resources/bureau-of-education-statistics/assessment-data>
- [S2] National Assessment of Educational Progress (NCES), 2024 New Hampshire State Snapshot and Nation's Report Card results: <https://nces.ed.gov/nationsreportcard/subject/publications/stt2024/pdf/2024220NH8.pdf>
- [S3] New Hampshire Department of Education, "Some assessment scores inch closer to pre-pandemic levels": <https://www.education.nh.gov/news-and-media/some-assessment-scores-inch-closer-pre-pandemic-levels>
- [S4] New Hampshire General Court, RSA 189:53, Literacy Skill Development (enacted via HB 1015, 2024): <http://www.gencourt.state.nh.us/rsa/html/XV/189/189-53.htm>
- [S5] New Hampshire Department of Education, Bureau of Education Statistics: <https://www.education.nh.gov/who-we-are/division-of-educator-and-analytic-resources/bureau-of-education-statistics>
- [S6] Community College System of New Hampshire, Running Start dual enrollment: <https://www.ccsnh.edu/academics/running-start/>
- [S7] NH School Funding Fairness Project, "Graduation Gaps: Examining Inequities in New Hampshire's Public Schools": <https://fairfundingnh.org/graduation-rates-2025/>
- [S8] New Hampshire Fiscal Policy Institute, "New Hampshire State Funding Rate for Public Elementary and Secondary Education Lowest in Nation": <https://nhfpi.org/resource/new-hampshire-state-funding-rate-for-public-elementary-and-secondary-education-lowest-in-nation/>
- [S9] New Hampshire Fiscal Policy Institute, "Education in New Hampshire: Fiscal Policies in 2023": <https://nhfpi.org/resource/education-in-new-hampshire-fiscal-policies-in-2023/>
- [S10] New Hampshire Supreme Court, Contoocook Valley School District v. State, 2025 N.H. 29: <https://www.courts.nh.gov/sites/g/files/ehbemt471/files/documents/2025-07/2025029conv.pdf>
- [S11] New Hampshire Department of Education, State Adequate Education Aid: <https://www.education.nh.gov/who-we-are/division-of-educator-and-analytic-resources/bureau-of-education-statistics/state-adequate-education-aid>
- [S12] NH School Funding Fairness Project, "School Funding and Special Education Update (2023-2024 data)": <https://fairfundingnh.org/special-education-funding-2024/>
- [S13] New Hampshire Fiscal Policy Institute, "How Special Education Funding is Supported in the State Budget": <https://nhfpi.org/blog/how-special-education-funding-is-supported-in-the-state-budget/>
- [S14] Education Law Center, summary of Contoocook Valley School District v. State (base-adequacy components and \$7,356.01 minimum threshold): <https://edlawcenter.org/new-hampshire-supreme-court-rules-state-violated-constitution-by-underfunding-public-schools/>
- [S15] New Hampshire General Court, RSA 76:3, Education Tax (Statewide Education Property Tax fixed-yield): <https://gc.nh.gov/rsa/html/v/76/76-3.htm>

Source note: Sources include official data and public records, research and local reporting, and stakeholder perspectives. Claims based on stakeholder perspectives are identified as viewpoints rather than neutral facts.

Process note: This issue brief is intended to support real-time community conversations on the described issue. It was produced using a blend of AI-assisted research and design, internal team review, and external expert review where available. We acknowledge the possibility of errors, omissions, and unintended biases.

Review note: This version (v2) incorporates an external New Hampshire policy expert review for accuracy and balance. Individual reviewers are named only with their permission.