

NH Department of Education  
Division of Program Support  
Bureau of Information Services  
Phone 271-2778 / Fax 271-3875  
July 13, 2006

## **FY07 Equitable Education Aid**

### Equitable Education Grants:

In 2005 the formula for determining aid was revised. Beginning with the FY06/FY07 biennium (July 1, 2005 – June 30, 2007), grant amounts are calculated once, for both years of the biennium. Grants for the FY07 fiscal year (July 1, 2006 – June 30, 2007) will be the same as the grants calculated for FY06. See FY06 tables for details of the calculation.

### Transition Grants:

For FY06 each town was guaranteed at least 85% of its FY05 grant. When necessary, towns received a transition grant to reach the 85%. FY07 transition grants will be equal to FY06 transition grants. See FY06 tables for details of the calculation.

### Statewide Enhanced Education Tax Assessment:

Annually, the Statewide Enhanced Education Tax rate is determined. In addition to grant payments from the state, towns turn over to school districts the revenue raised by the Statewide Enhanced Education Tax. Within cooperative districts the amount raised is credited to the individual towns.

The Statewide Enhanced Education tax rate changes annually. It is set at the rate necessary to raise approximately \$363 million. The rate for the FY07 tax year is based on the FY05 (4/1/04) equalized valuations without utilities. The rate will be \$2.515.

If the Statewide Enhanced Education Tax to be raised by a town for FY07 exceeds the amount needed to fund the FY07 budget after all other revenues have been applied, then the town must send the excess. The amount of excess is determined by Revenue Administration when tax rates are set in the fall, and the excess must be returned to the state by March 15<sup>th</sup>. (See footnote.)

Footnote: HB100 adopted in 2006 revised the excess calculation.