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### Remarks : the ABC Plan January 15, 1998

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**REMARKS**  
**Governor Jeanne Shaheen**  
**The ABC Plan**  
**January 15, 1998**

In my State of the State Address last week, I said that we could find a solution to the Claremont decision that would preserve what is best about New Hampshire and change what needs to be changed.

I said that we can meet our responsibility to provide an adequate education to our children without overturning our values, disrupting our economy or losing the New Hampshire advantage. I said that we must accept this responsibility to our children, not avoid it by rewriting our constitution.

Since the day of the Supreme Court ruling, my office has been working with interested individuals and members of the executive branch to assess the implications of that decision and develop a solution. I have worked very closely with Education Commissioner Betty Twomey and Stan Arnold, the Commissioner of Revenue Administration. Our mutual goal has been to develop a proposal that will meet the requirements of our constitution and provide for the education of our children in a way that does not disrupt our economy.

We followed several guidelines, which I also outlined in my State of the State Address. I said we should not enact any new broad-based tax; we must preserve local control of our schools; and we must ensure the quality of our children's education. And I said that whatever approach we take must lift up those communities that need help without dragging others down.

We have found a solution that meets these guidelines. We have found a New Hampshire solution. We call it The ABC Plan: Advancing Better Classrooms.

I'm announcing The ABC Plan today to show that we can meet the challenge of the Supreme Court decision without resorting to drastic measures like broad-based taxes and constitutional amendments. It's been less than a month since the Supreme Court decision. Already, we've heard too much alarmist rhetoric about the end of the New Hampshire way of life. We've heard too many simple-sounding solutions that don't address the issue. It's time to get to work on a proposal that addresses what this issue should be about -- our children and their education.

The Supreme Court ruling said that we must ensure that every school district has the funds necessary to provide an adequate public education. To the extent the local property tax is used for that purpose, it must be "equal in valuation and uniform throughout the state." The ABC Plan meets both of these tests.

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The ABC Plan has three basic parts. First, it determines a standard of adequacy for our children's education. Second, it establishes a uniform local property tax rate for education and gives supplemental state funds to the towns that need help in providing an adequate education to their students. Third, it encourages improved performance and accountability in our schools.

Today, I'd like to provide a brief overview of the first two parts of The ABC Plan. We're still working on specific details. Commissioner Arnold will explain the funding mechanism that we are proposing.

I have appointed a working group to develop a standard of educational adequacy for the state. They have already begun meeting, and I would like to thank them for agreeing to do this work on a very short time frame. I have asked them to report back to me by the beginning of February.

In appointing this group, I thought it was important that business be represented, because their involvement is critical to providing the kind of education our children need to succeed in the workplace. And I also thought it was vital that the people most directly involved in running schools at the local level lead this effort.

Accordingly, the co-chairs of the group are John Crosier, the president of the Business and Industry Association of New Hampshire, and Paula Adriance, the president of the New Hampshire School Boards Association. Working with them are John Lewis, chair of the State Board of Education; Richard Ashooh, Director of Public Affairs for Lockheed Sanders; Kathy Fuller, a member of the Franklin School Board; and Bud Hawkins, vice president of National Aperture, Incorporated, a small business in Salem.

The standard of adequacy they develop will determine a per-pupil cost of education. As I said earlier, The ABC Plan will establish a uniform local property tax rate for education and provide supplemental state funds to the towns that need help to provide an adequate education.

I recognize that we will need to find the revenues to provide the supplemental state funds under The ABC Plan. The legislature will ultimately decide where those revenues come from, but I believe there are a number of options.

For example, the hypothetical cost per pupil of an adequate education that we are using today to illustrate how The ABC Plan works is \$4,500. Because The ABC Plan would replace the existing Foundation Aid program, we can apply existing sweepstakes revenues to fund The ABC Plan. We would then need to find approximately \$100 million new dollars. Contrary to the rhetoric of those who want to amend the constitution, we do not need to raise \$1 billion dollars.

One funding option is increasing the cigarette tax. We know from Commissioner Arnold that increasing the cigarette tax by 23 cents will raise \$43 million. We know that increasing the cigarette tax is supported by the public, and we know it has health benefits. I would urge the legislature to raise the cigarette tax by 23 cents, and to do it now. The amount required to fund The ABC Plan is a manageable number that we can achieve if we work together.

Unlike a statewide property tax, The ABC Plan does not take money from property-rich towns and redistribute it to others. The ABC Plan lifts poorer schools up without dragging others down. The ABC Plan involves no broad-based tax, preserves local control of our schools, ensures quality education for our children, creates no new state bureaucracy, causes no disruption of the New Hampshire economy, and satisfies the Supreme Court's Claremont decision.

The ABC Plan takes the challenge presented by the Supreme Court and turns it into an opportunity to provide for the education of all of our children. We can preserve what is best about New Hampshire, and still see that all of our children get the education they deserve. We can, and we must.