

Bridgewater Newsletter - Winter December 2022

Tax Bills and Finance:

The 2nd half tax bills have been delayed. The town supplied the necessary information to the Department of Revenue Administration in early October. A software glitch and miscommunication has delayed the process. **Tax Rate.** While it's unwise to predict the rate because the Town rate is only one of five components of the total bill, we believe the final rate will be about the same.

HUB66, NH Electric and Internet Access:

After discussions with HUB66, we recently forwarded a letter of support for a federal grant of 40 million dollars for expansion of internet access throughout the town. This year and next, a proposed new fiber optic cable will be installed up the Mayhew Turnpike and the River Road. If the proposed grant is awarded to HUB66 their cable will then be expanded throughout the entire community. NH Electric Cooperative has also been actively assessing and measuring expanding internet access into town in their service area. At this point, how this moves forward is uncertain. It is, however, promising.

School Funding – Apportionment, State Wide Property Tax and Beyond.

For a detailed primer of the issues, Please see the following link and read “apportionment/school issue:

<https://img1.wsimg.com/blobby/go/1fe88111-8580-4a2e-bfae-899271219bdd/downloads/Fall%20News22.pdf?ver=1663185679391>

Update:

Apportionment Issue SAU4

After last year's deliberative session (January 22), the proposed petitioned warrant article was amended to a study committee. During the summer, the committee met and could not reach any meaningful consensus on methods to recommend a new formula to apportion school costs among the seven towns in the Cooperative School District. The formula currently uses the number of children sent by each town divided into the net budget. Every town pays about the same cost per educational “seat” (It is somewhat adjusted by grants, state aid etc.). This method is referred to as ADM (100% Average Daily Membership)

Any proposal factoring in property values as a portion of determining a town's share of deriving the cost per student is equivalent to paying for a loaf of bread based on the value of your car in the calculation.

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One proposal discussed by the study committee would have one town pay \$ 55,000 per seat and another \$ 13,000 per seat!! (Yes, it was a serious proposal) We are discussing potentially millions of dollars being shifted to the towns of Bridgewater, Hebron and Groton.

We expect another petitioned warrant article to be debated at the 2023 deliberative session on February 4th 2023. **We will inform you about this voting matter after the first of the year.**

Potential Collateral Damage:

If the apportionment formula were to change, the contract for leasing the Bridgewater-Hebron School for one dollar a year is voided. The School District Superintendent has indicated, they will not pay commercial rent for the building. What then? Potentially the school could be closed, jobs lost and children relocated.

This is not in our control. **This is the District decision. Fair = Each community paying the same cost for the same education seat.**

We are often asked, **“Can Bridgewater, Hebron and Groton withdraw from the school district?”** We pursued that withdrawal matter in 2015. The dynamics have since changed. We are actively studying that option. We believe that we can chart our own destiny while improving our children’s education beyond the BHVD elementary school with no adverse impact to SAU4.

State Wide Educational Property Tax (SWEPT)

Technically, this tax isn’t really a state tax. The state support for differing educational costs “raises” about 360 million dollars in the state educational trust fund. They then send a warrant (bill) based on \$1.44/1000 of the 2021 equalized valuation without utilities to each municipality. That Town, in turn, has to raise the funds locally and send the funds directly to the School District.

Currently, there are a number of lawsuits challenging SWEPT and adequacy. If any of these suits are successful, it could cost towns like Bridgewater to send millions to the State and the return to “Donor/Receiver Towns”. Currently, we pay \$568,297 in 2022. Next year, it’s estimated to be \$ 900,521.

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Being proactive, the town is actively involved with a group of coalition communities (**Coalition Communities 2.0**) that could be similarly impacted. The group is following the state legislature and court actions as to the State Wide Education Property Tax and a potential return to “donor/receiver towns” to fund the state’s educational responsibility. Thus far, the legislature has evaded any major discussion of adequacy funding. In most communities, school costs comprise the majority of the budget. It is “the tail that wags the dog” in budgeting matters. We are no exception.

Finally, we fully realize the current state of the economy coupled with the above discussion is a directive to be very cautious in our town budgetary processes. The final six months have proven very costly on the town budget.

As always, we will continue to be prudent managers of your tax dollars.

HAPPY HOLIDAYS TO ALL! Thank you for your continued support.

Terry Murphy

Skip Jenness

Wes Morrill

Selectmen – Bridgewater NH