

Epsom and School Funding

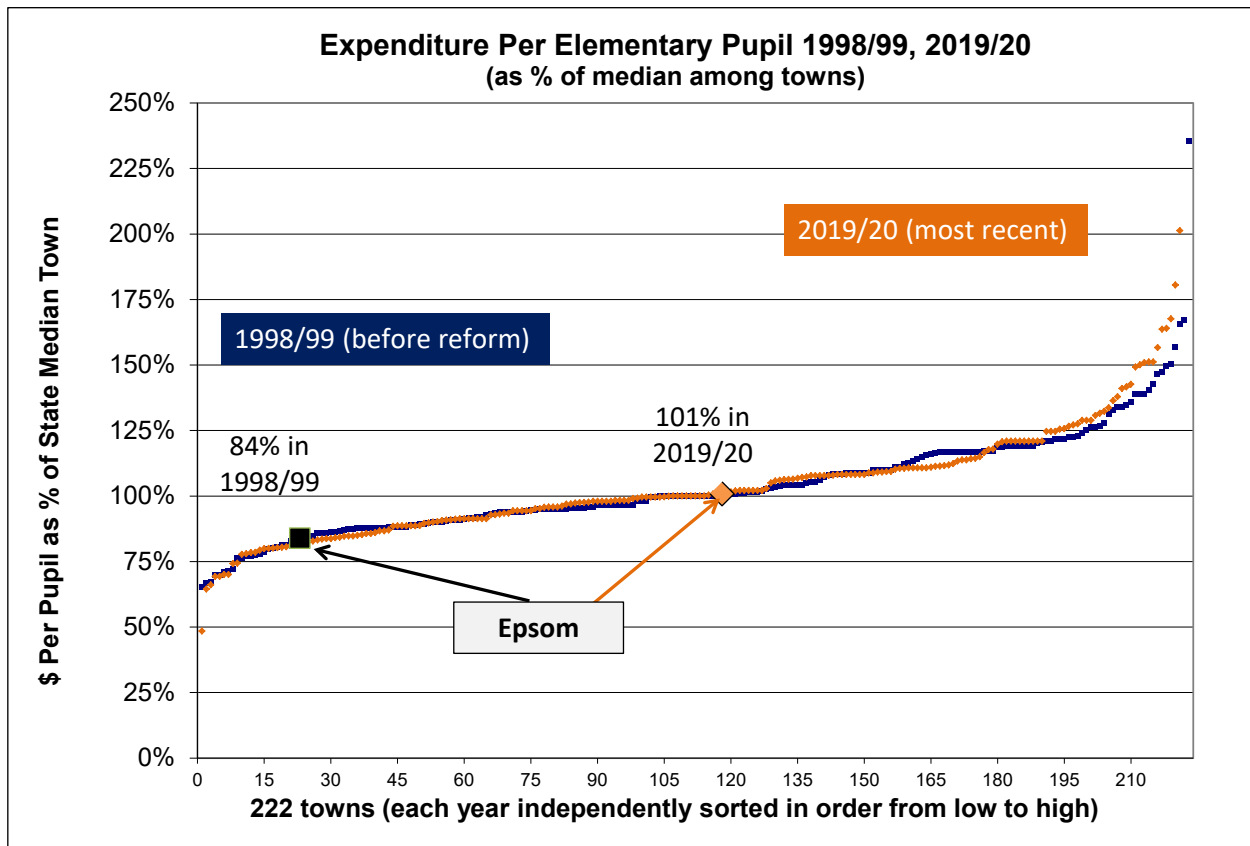
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1. Spending per elementary pupil

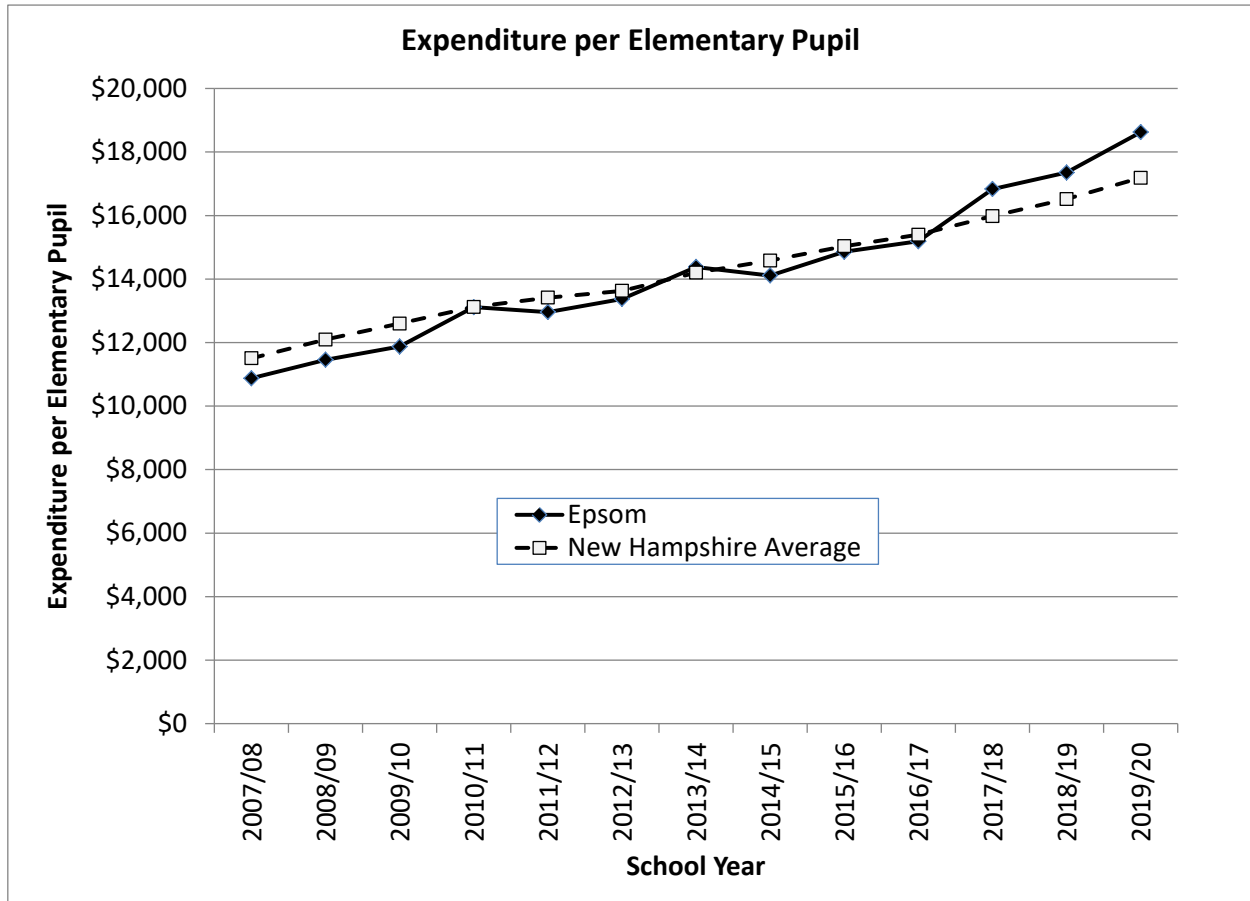
School year 1998/99 was the last year of state aid before the new increased aid to pay for an “adequate” education was introduced after the NH Supreme Court’s *Claremont* rulings. That year, Epsom reported spending \$4,991 per elementary student, 84% of what the state median town had spent. In school year 2019/20, the most recently completed year for which data is available, Epsom reported spending \$18,625 per elementary pupil, 101% of the median town.

Chart 1



The following chart compares the spending per pupil for elementary pupils in Epsom and the state average for the past thirteen years. (State average in a given year is calculated by dividing the total elementary spending of all school districts by the total number of elementary pupils. It differs somewhat from the median town numbers used in the previous chart.)

Chart 2

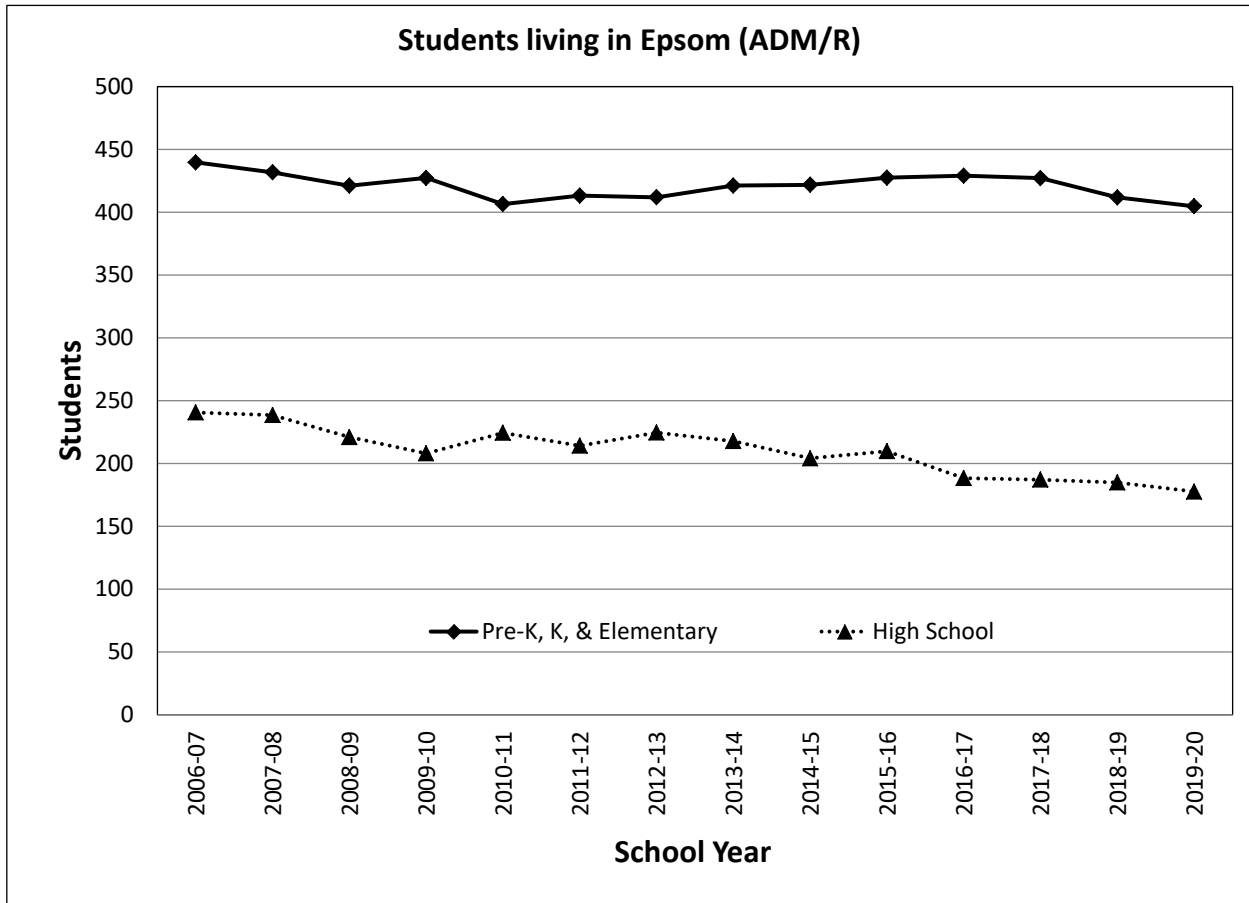


Throughout much of this period Epsom had been spending very close to the state average. Recently it has been slightly above the average, and fell below the state average only in the most recent year. At the beginning of these 13 years, Epsom was spending 95% of the state average. In the most recent year 2019/20, Epsom was spending 108% of the state average (and 101% of the median municipality as noted previously).

2. Overall enrollment of students

Average Daily Membership in Residence (ADM/R) is one way in which enrollment is measured. It measures the numbers of students attending district schools and, in Epsom's case, the high school students who attend Pembroke Academy. Overall in this state ADM/R has been in slow decline in recent years. In Epsom the decline has been from 682 students to 583 students, a decline of 14.5% since 2006/07. The following chart displays this for elementary (pre-school, kindergarten, elementary through grade 8), and high school for Epsom for the past fourteen years. The number of elementary students in 2019/20 was 8.0% below the number in 2006/07. The number of high school students was 26.1% below the number in 2006/07. As shown in Chart 3, the decrease has ended in the past few years.

Chart 3



3. School District Spending Pattern

Spending by New Hampshire’s public school districts totaled \$3.25 billion in school year 2019/20. Epsom’s total K-12 education spending (recurring expenditures) was \$11.05 million. All school districts use the same bookkeeping definitions so it is possible to compare how one district’s spending pattern compares to other districts or the state as a whole.

The table below highlights Epsom’s spending distribution versus the state average. As shown, Epsom spends a much higher percentages of its budget on regular instruction than the New Hampshire average. It also spends less on administration and plant operations than the New Hampshire average.

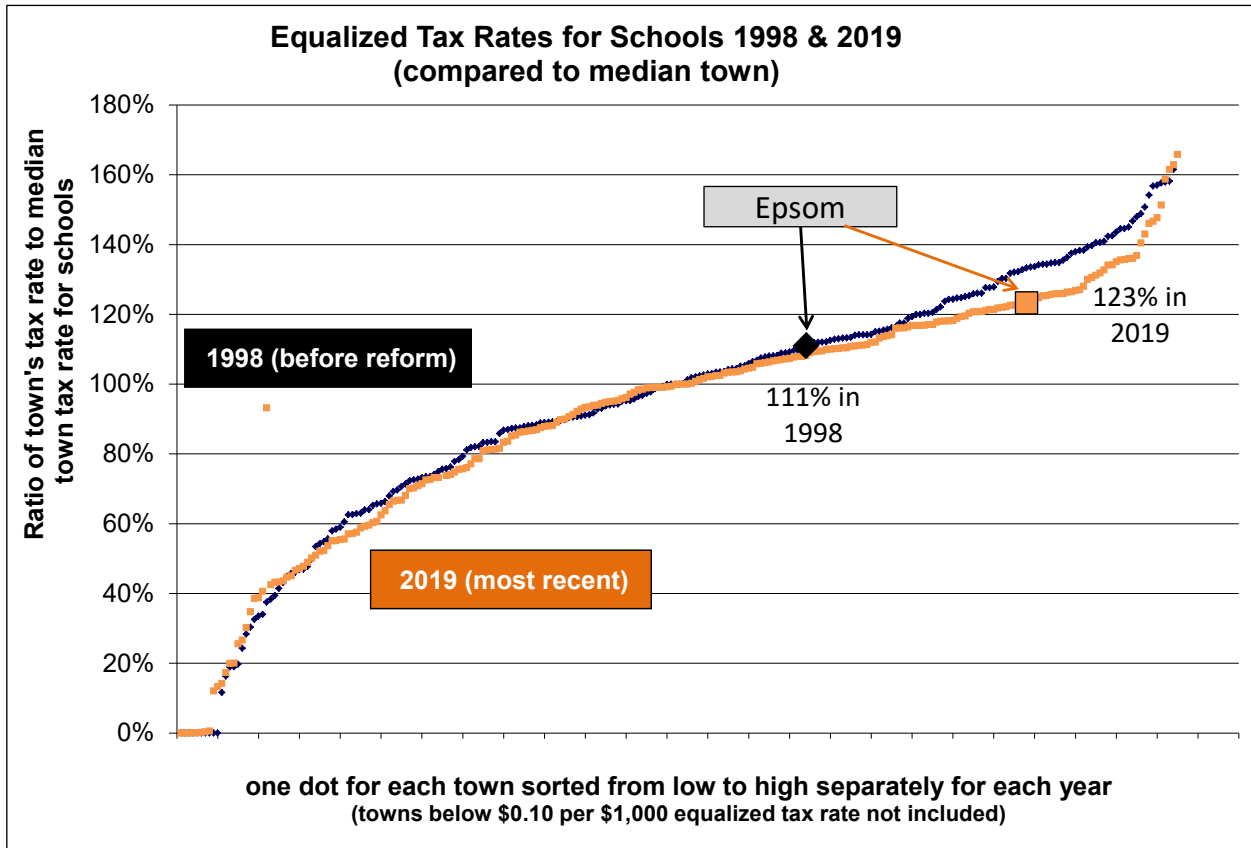
Table 1

Spending by Type	Percentage	
	Epsom	NH Average
Regular Instruction	50%	40%
Special Programs	21%	20%
Vocational Programs	0%	1%
Other Instructional Programs	1%	1%
Student Support Services	7%	8%
Instructional Support Staff	1%	3%
Administration	9%	11%
Plant Operations	5%	8%
Pupil Transportation	5%	4%
Food Services	1%	1%
Bond & Note Interest	0%	1%
Other Expenses	0%	0%
Total Expenses	100%	100%

4. Property tax rates for schools

1998 was the last tax year before the new aid to pay for an “adequate” education was introduced after the NH Supreme Court’s *Claremont* rulings. That year, the equalized tax rate for Epsom schools was \$21.29. This was 111% of the state median town. In 2019, the equalized tax rate was \$16.73 (\$14.87 local tax plus \$1.86 state tax that is retained by the town). This was 123% of the state median town.

Chart 4

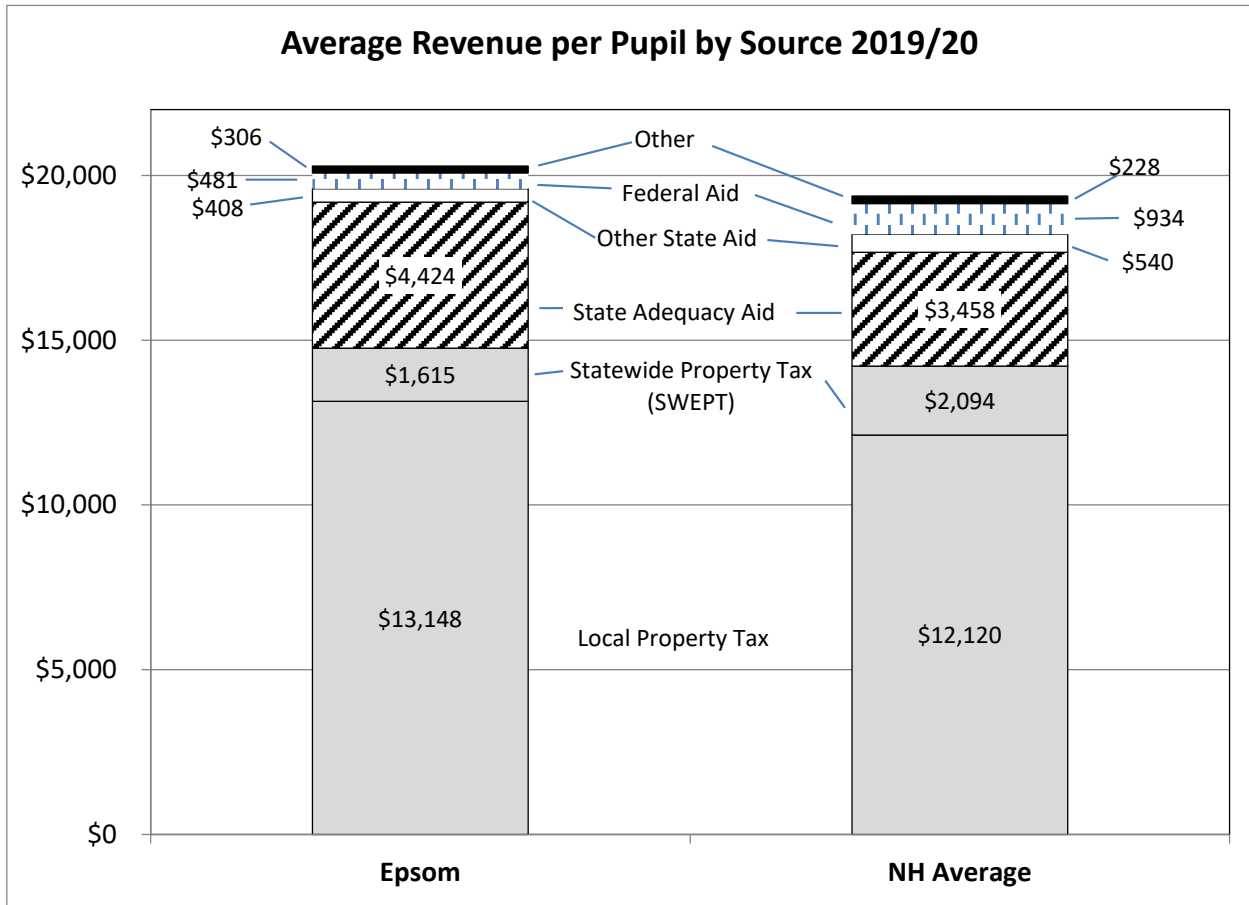


Epsom's position is well above the median among towns. It has increased faster than most towns and is now 123% of the median town's equalized tax rate for schools. On the other hand, like many other towns its actual equalized tax rate for schools in 2019 was much lower than it was in 1998.

5. School District Revenue Patterns

Similar to spending patterns, it is possible to compare the revenue sources of one district with that of others or the state average. Below is a bar chart that shows the revenue distribution of the Epsom school district compared to the state average.

Chart 5



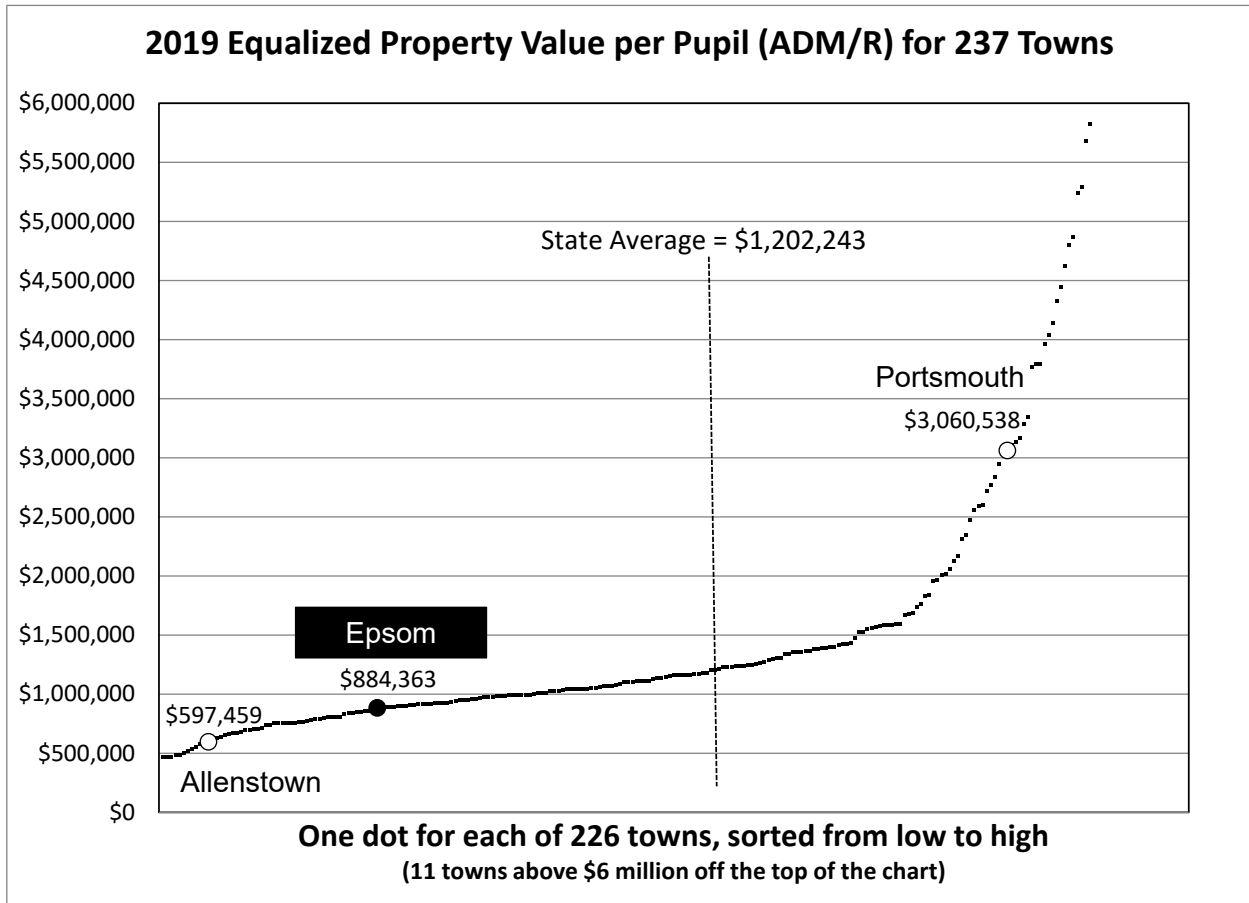
On average, 74% of the revenue for New Hampshire public schools comes from the property tax (local plus the statewide education property tax, better known as SWEPT). In Epsom, the property tax accounts for 73% of the revenue. 26% of the revenue for Epsom schools comes from state and federal aid.

6. Property value for each pupil

The most important statistic that relates the ability of different towns to raise taxes for the purpose of their schools is Equalized Property Value per Pupil.

In 2019, Epsom had \$515 million of equalized property valuation and 583 average daily number of students (ADM/R). This meant that Epsom had \$884,363 of property value for each pupil. The state average was \$1,202,243. Epsom was 73.6% of the state average.

Chart 6



Portsmouth's property value per pupil is 3.5 times that of Epsom. This means that in Portsmouth, each \$1.00 in equalized tax rate raises \$3,060 per pupil. In Epsom, each \$1.00 in equalized tax rate raises only \$884 per pupil.

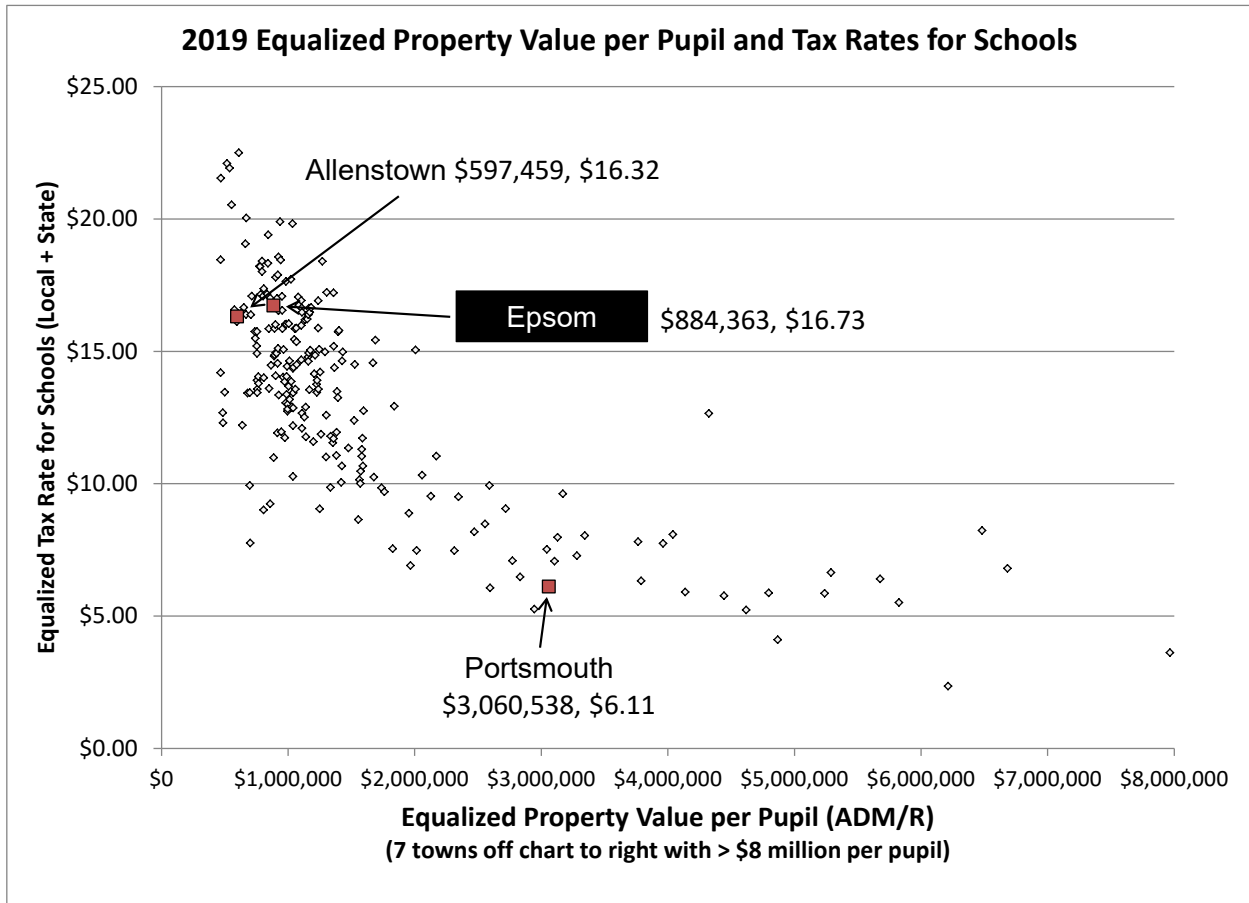
Portsmouth raises \$18,700 per pupil with only a \$6.11 equalized school tax rate while Epsom can only raise \$14,795 per pupil with an equalized school tax rate of \$16.73.

This difference continues with only slight variation year after year. In the 13 years from kindergarten through 12th grade, Portsmouth will raise locally \$50.800 more for educating each of its children than will Epsom.

Think of a classroom of 20 students. Epsom raises \$78,100 less per classroom at a tax rate 2.7 times that of Portsmouth. And will continue to do so year after year.

Clearly there is not a level playing field when it comes to the ability of towns' property tax bases to support their schools.

Chart 7



Note: Data are taken from reports and spreadsheets of the NH Department of Education: (Equalized Valuation per Pupil, Cost Per Pupil By District, Average Daily Membership Based Upon Attendance and Residence (ADM), and DoE25ExtractforStateProfileData for various years. Such data are reported by NH school districts to the DoE. Tax rates printed on town tax bills are not equalized and cannot be compared between towns. Using equalized rates allows an apples-to-apples comparison among town tax rates and property values.