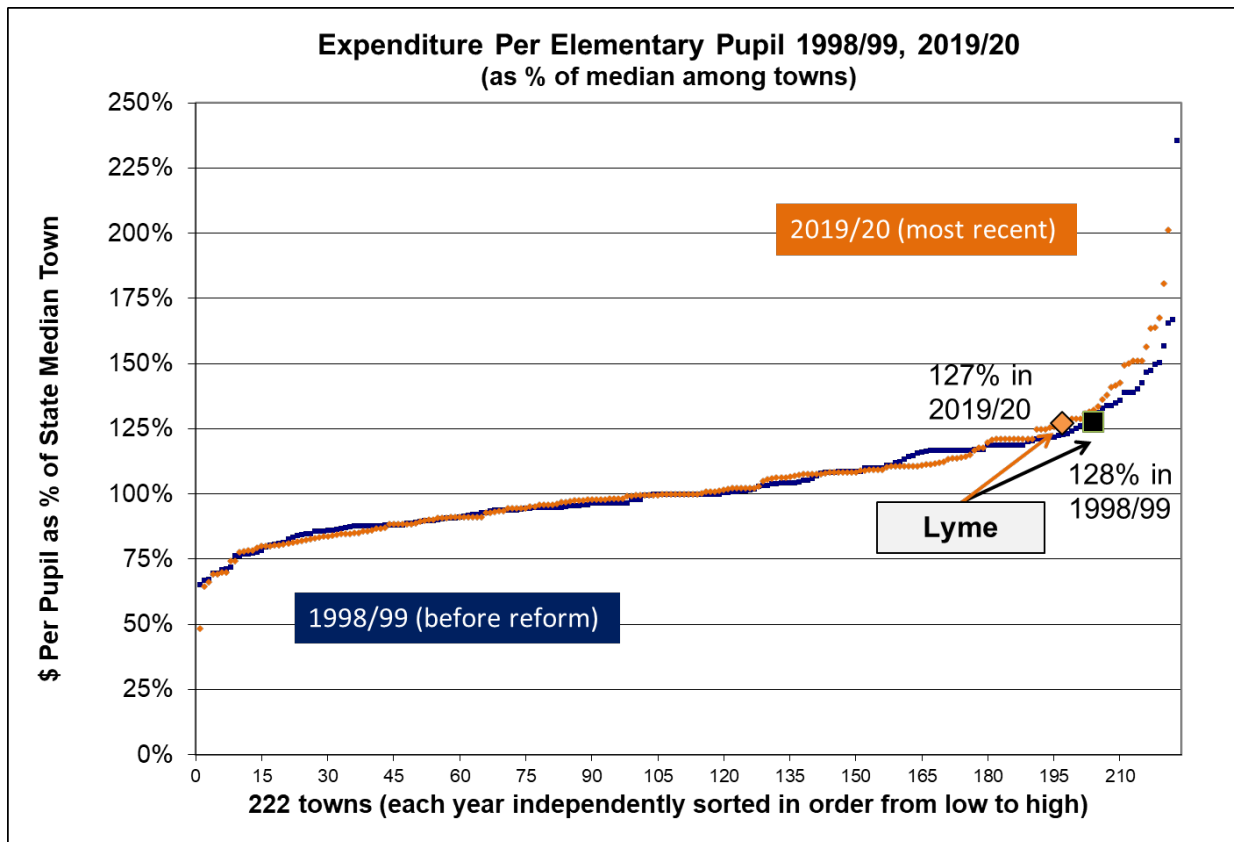


# Lyme and School Funding

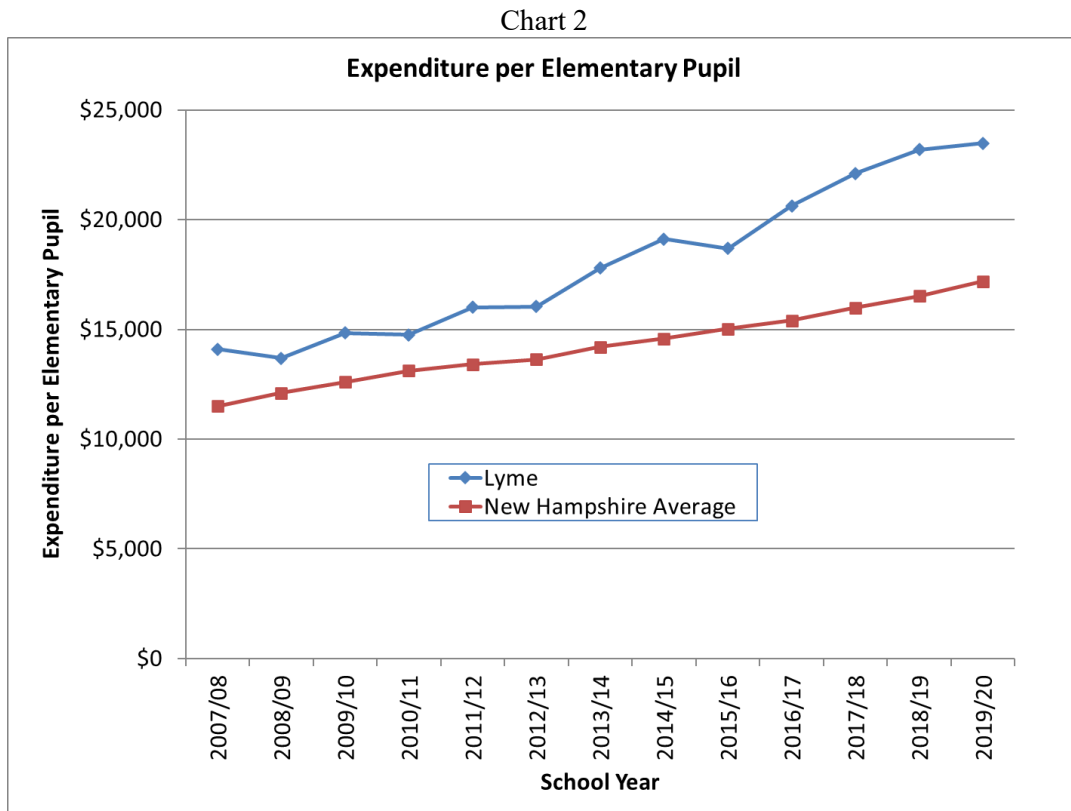
Lindsey Cazessus, NH School Funding Fairness Project [lcazessus@fairfundingnh.org](mailto:lcazessus@fairfundingnh.org)  
May 2021

## 1. Spending per 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, Lyme reported spending \$7,587 per elementary student, 128% of what the state median town had spent. In school year 2019/20, the most recently completed year, Lyme reported spending \$23,475 per elementary pupil, 127% of what the median town had spent.



The following chart compares the spending per pupil for elementary pupils in Lyme and the state average for the past thirteen years.

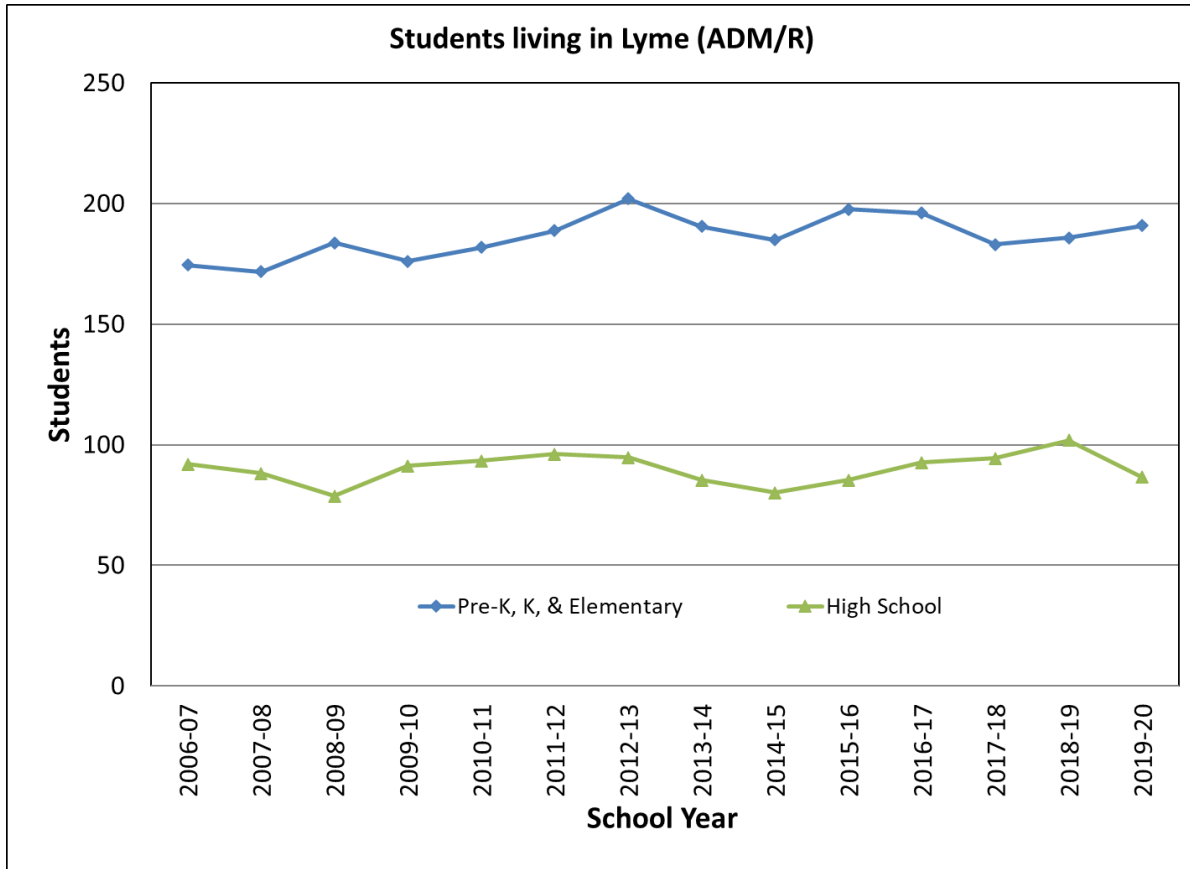


At the beginning of this 13-year period, Lyme was spending 123% of the state average. Over the course of this period, spending per elementary pupil tracked slightly above the state average and rose gradually. In the most recent year 2019/20, Lyme was spending 137% of the state average (and 127% of the median municipality).

## **2. Overall enrollment of students**

Average Daily Membership in Residence (ADM/R) is one way in which enrollment is measured. It measures the number of students residing in a school district even if some students are tuitioned into or from another district. Overall, in New Hampshire, ADM/R has been in slow decline in recent years. In Lyme, the decline has been 4% since 2006/07. The following chart displays this for elementary school (pre-school, kindergarten, and elementary grades) and high school for Lyme for the past fourteen years. During this period, the total of pre-school, kindergarten, and elementary students has increased by 9% while the total of high school students has decreased by 6%.

Chart 3



*\*Like many districts, Lyme reports students in grades 6-8 as elementary students rather than middle school students.*

### **3. School district spending pattern**

Spending by New Hampshire’s public school districts totaled \$3.15 billion in school year 2019-20. Lyme’s total school spending (recurring expenditures) was \$6.6 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 Lyme’s spending distribution versus the state average as reflected in its financial report (DoE25) to the NH Department of Education.

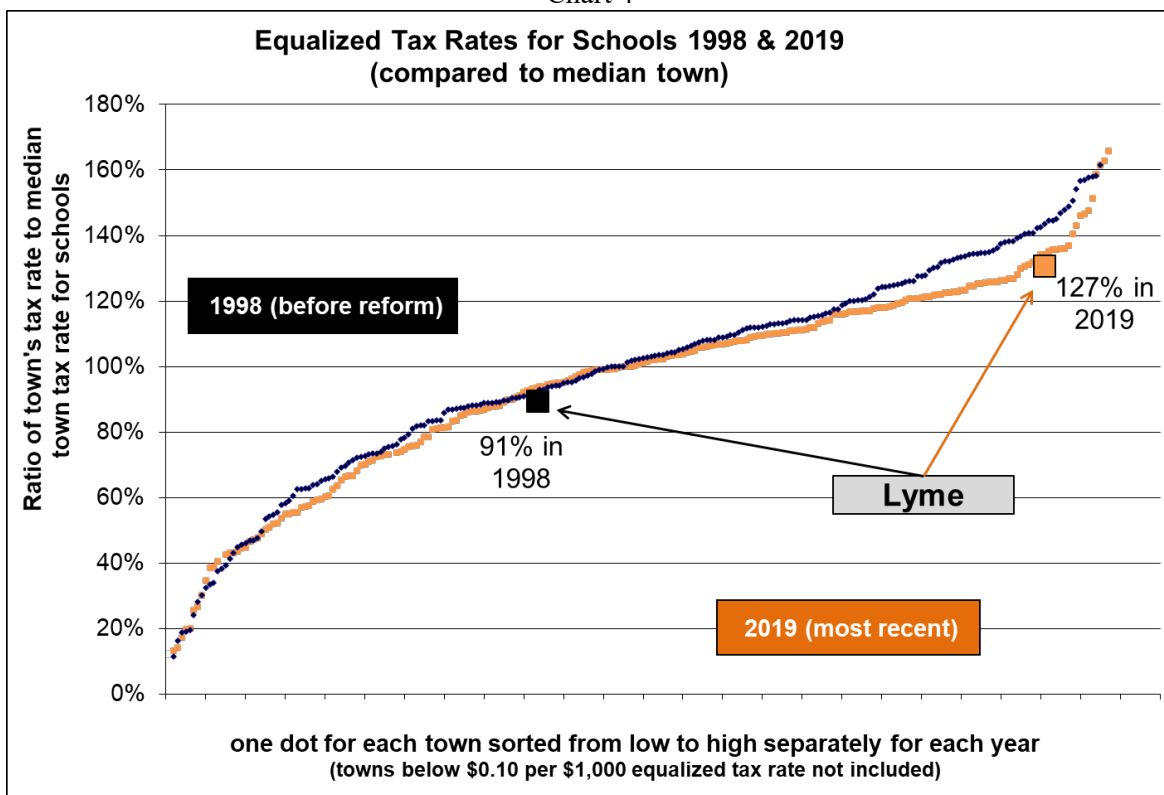
Table 1

Spending by Type	Percentage	
	Lyme	NH Average
Regular Instruction	60%	40%
Special Programs	15%	20%
Vocational Programs	0%	1%
Other Instructional Programs	0%	1%
Student Support Services	5%	8%
Instructional Support Staff	1%	3%
Administration	9%	11%
Plant Operations	5%	8%
Pupil Transportation	2%	4%
Food Services	1%	1%
Bond & Note Interest	1%	1%
Other Expenses	0%	0%
<b>Total Expenses</b>	<b>100%</b>	<b>100%</b>

#### 4. Property tax rates for schools

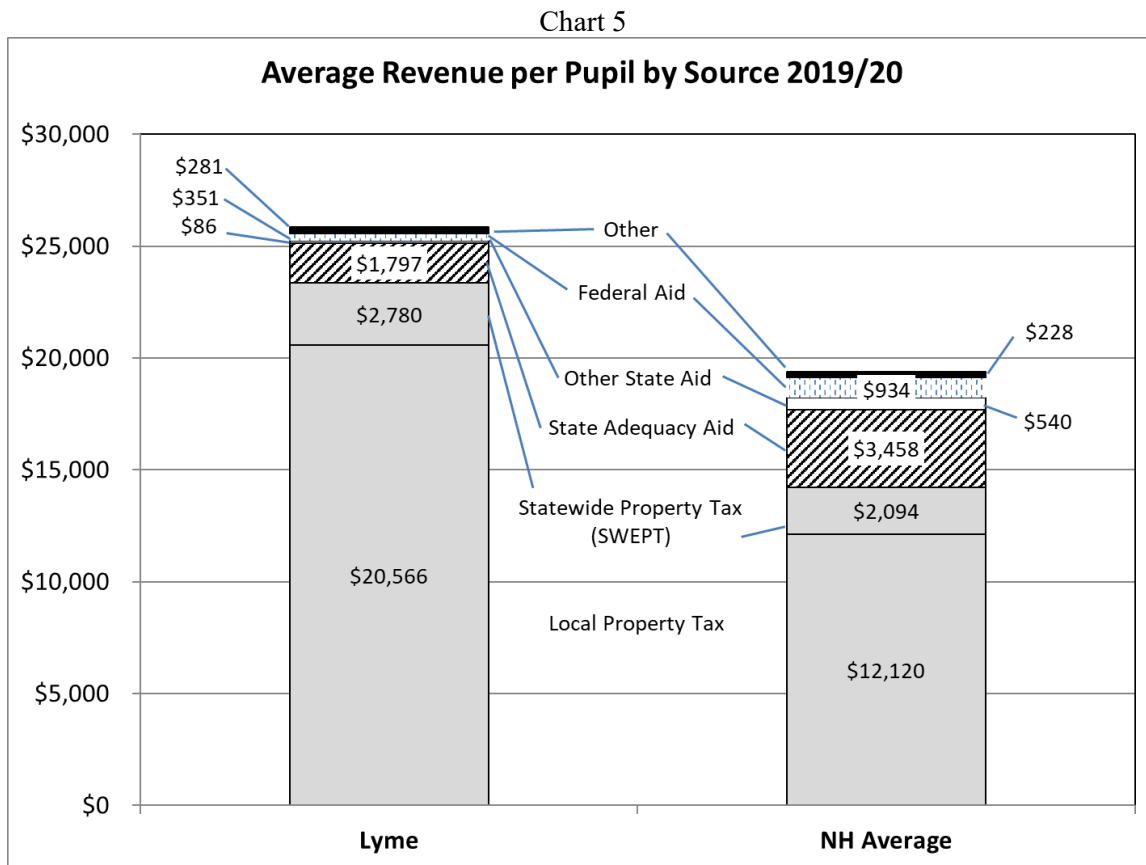
1998 was the last tax year before the new aid to pay for an “adequate” education was introduced after the NH Supreme Court’s *Claremont* rulings. That year, Lyme’s equalized tax rate for its schools was \$17.37. This was 91% of the state median town. In 2019, the equalized tax rate was \$17.21 (\$15.13 local tax rate plus \$2.08 state tax rate which is retained by the town). This was 127% of the state median town.

Chart 4



## 5. School district revenue pattern

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 Lyme school district, calculated on a per pupil basis by dividing total revenue by ADMR, compared to the state average.



In 2019/20 Lyme School District's school revenue was \$25,861 per pupil, 33% above the state average of \$19,374. Lyme raised more per pupil from property taxes than the state average but received less state adequacy aid, federal aid, and other types of aid than average.

## 6. Property value for each pupil

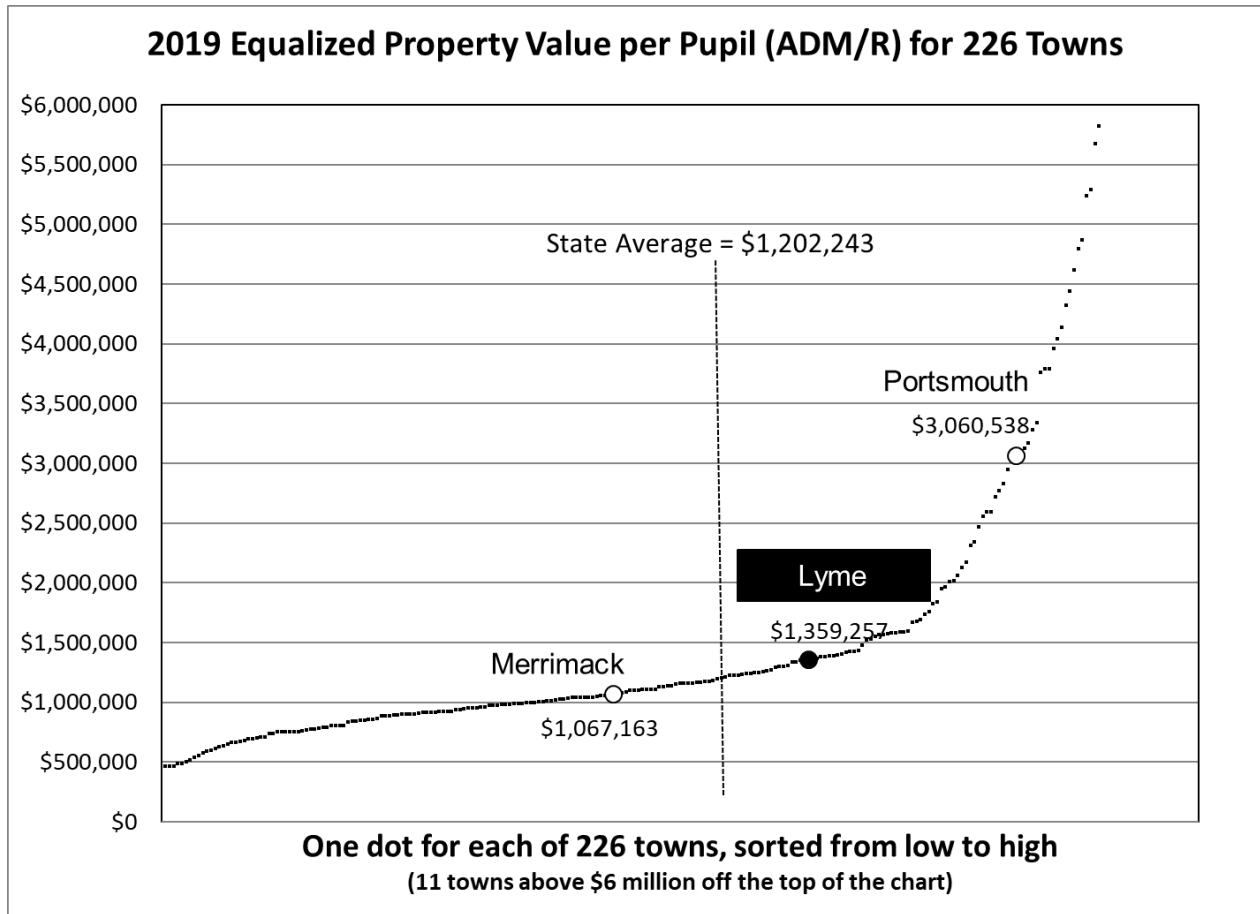
Since 1998/99, Lyme's spending per elementary student has remained roughly the same, and its equalized tax rate has increased from 91% of the median town in 1998 to 127% in 2019. In other words, Lyme has moved further away from the median town in its tax rate but not in its spending per student.

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, Lyme had \$3.77 billion of equalized property valuation and 277 average daily number of students (ADM/R). This meant that Lyme had \$1,359,257 of property value for each pupil. The state average was \$1,202,243. Lyme had 113% of the state average and 56% of the city of Portsmouth, which

had \$3,060,538 in property value per pupil. In other words, each \$1 of property tax rate in Lyme yields \$1,359 per pupil, but, in Portsmouth, it produces \$3,060.

Chart 6

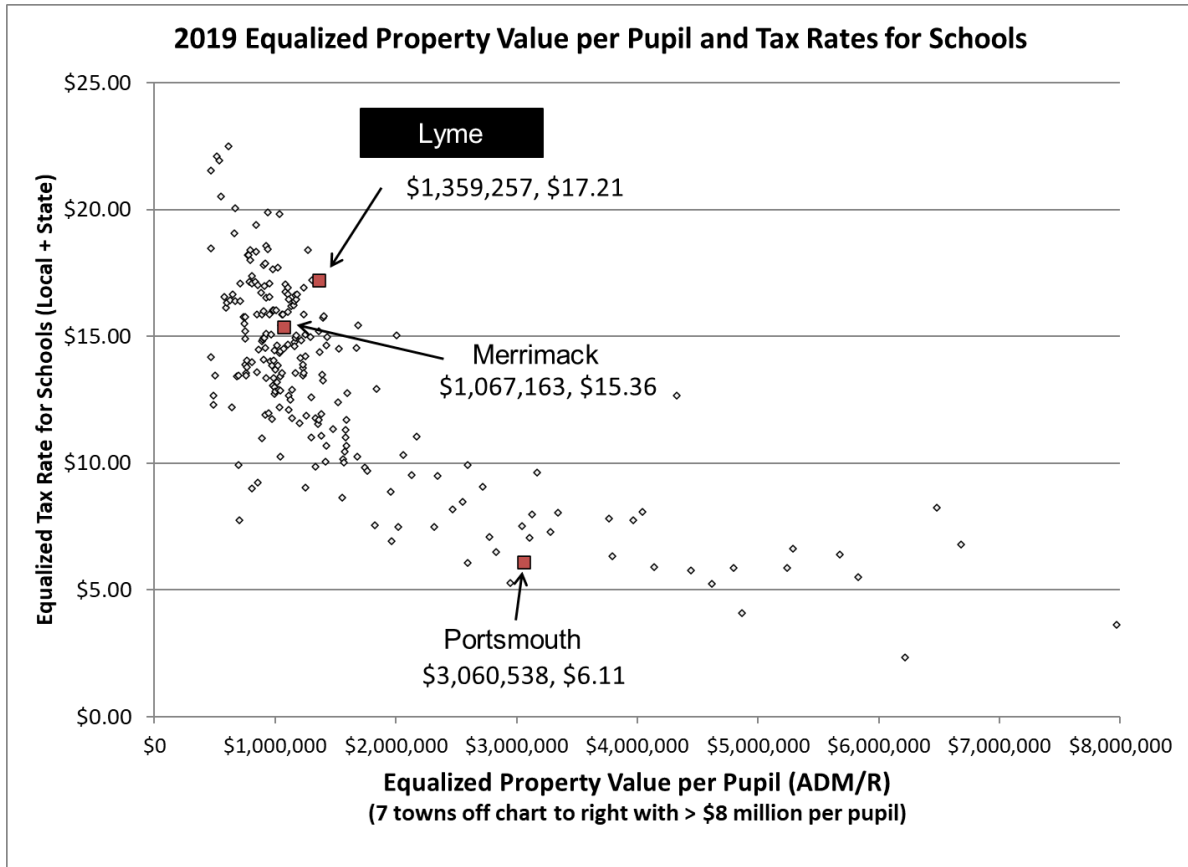


So, if Lyme and Portsmouth were to raise the same amount per pupil for their schools, Lyme's school tax rate would have to be 2.8 times higher than that of Portsmouth.

Of course, that is not what happens. Portsmouth raises \$18,700 per pupil with only a \$6.11 equalized school tax rate, while Lyme raises \$23,393 per pupil, but with with an equalized school tax rate of \$17.21.

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 used in this report 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), Average Class Size By School, and DoE25 Extract for State Profile Data for various years). Such data are reported by New Hampshire school districts to the Department. Tax rates printed on town tax bills are not equalized and cannot be compared among towns. Using equalized data allows an apples-to-apples comparison among town tax rates and property values.*