Answers to Key Questions about School Funding in Chichester
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New Hampshire’s public school system – and the way in which money is raised to pay for it – touches the lives of all Granite Staters, yet can often be difficult to understand. Listed below are a few questions you might have about how schools are funded in Chichester, along with helpful facts and figures in response. After reading them, we hope you’ll have a better appreciation of some of the inequities that plague our school funding system.

What Does Chichester Spend on Public Schools? How Does It Compare to Other Communities?

The 1998–99 school year was the last school year before the State of New Hampshire, in response to the Supreme Court’s Claremont rulings, increased the amount of aid it provides to pay for an “adequate” education. That year, Chichester spent $5,475 per elementary school student or 92 percent of what the typical (or median) town had spent. In school year 2020–21, Chichester spent $21,804 per elementary pupil, somewhat more than the typical town.

Figure 2 compares spending per elementary pupil in Chichester and the state average for the past fourteen years. As it shows, spending in Chichester was somewhat above the state average from year to year. For instance, Chichester spent 113 percent of the state average in 2010-11 and it spent 113 percent again in the most recent year, 2020-2021.

All told, New Hampshire’s public school districts spent $3.54 billion during the 2020-21 school year. Of that amount, 40 percent was dedicated to regular classroom instruction, 22 percent to other...
educational programs (including special education and vocational instruction), 11 percent to administration, 9 percent to building operations, and the remainder was devoted to transportation, food services, and other purposes.

Chichester School District’s total school spending that year was $6.26 million, with 52 percent allocated to regular instruction, 16 percent to other educational programs, 7 percent to administration and 8 percent to building operations.

How Many Students Are Enrolled in Chichester’s Public Schools?

Average Daily Membership in Residence (ADM/R) is one way in which enrollment is measured. It measures the number of public school students living in a district. Overall in New Hampshire, ADM/R has been in slow decline in recent years. In Chichester, the decline has been 25 percent since 2006–07. Figure 3 displays enrollment trends at Chichester Central School and for those attending Pembroke High School for the past fifteen years. During this period, the total of pre-K, kindergarten, elementary, and middle school students fell 19 percent, while the number of high school students declined by 37 percent.
How Does Chichester Pay for Public Schools?

Figure 4 shows all of the various revenue sources that Chichester uses to pay for its public schools, measuring them on a per pupil basis. It also compares Chichester’s revenue sources to the New Hampshire average. As this figure makes clear, local property taxes are a key source of revenue for public schools, both in Chichester and across the state.

During the 2020-21 school year, Chichester School District’s total school revenue was $21,166 per pupil, almost identical to the state average of $21,288. Property taxes (local plus statewide) provided $4,824,806 or 78 percent of the $6,178,692 overall amount. Chichester received less state and federal aid than the average.

How Do Chichester’s School Property Tax Rates Compare to Other Communities?

1998 was the last tax year before the state responded to the Supreme Court’s Claremont rulings and introduced new aid to pay for an “adequate” education. That year, Chichester’s equalized property tax rate for its schools was $19.28 per $1,000 of property value. This rate was almost exactly that of the typical town – it amounted to 103 percent of the rate for the median town in the state. In 2020, the equalized school property tax rate in Chichester was $13.21 per $1,000 of value (a $11.53 local tax rate plus a $1.68 state tax rate, which is retained locally). Chichester’s tax rate for its schools is just about as average as can be.
How Do Property Values in Chichester Compare to Other Communities?

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 or EQVP. EQVP essentially provides an answer to the question, “What resources are available to be taxed in our town for each of the kids in our schools?” The higher a town’s EQVP, the lower the school property tax rate it needs to use to generate a set sum of money.

In 2020, Chichester had $366.2 million of equalized property valuation and 292 students (as measured by average daily membership in residence or ADM-R). This means that Chichester’s EQVP that year was $1,254,426. The state average EQVP was $1,364,912. Chichester had 92 percent of the state average, but only about 37 percent of Portsmouth’s EQVP.

These differences in property values help to explain where Chichester’s tax rate falls compared to other cities and towns. Think about it - if Chichester and Portsmouth had to raise the same amount of revenue per pupil for their schools, Chichester’s school property tax rate would have to be 2.7 times higher than that of Portsmouth.

Of course, that is not what happens. In 2020, Portsmouth raised $20,577 per pupil with only a $6.10 equalized school tax rate, while Chichester was only able to raise $16,528 per pupil with an equalized school tax rate of $13.21.

To better understand the impact those differences can have, imagine a classroom of 20 students. Chichester raises $80,980 less for a classroom of that size than Portsmouth does at a tax rate that is 2.2 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.

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.