

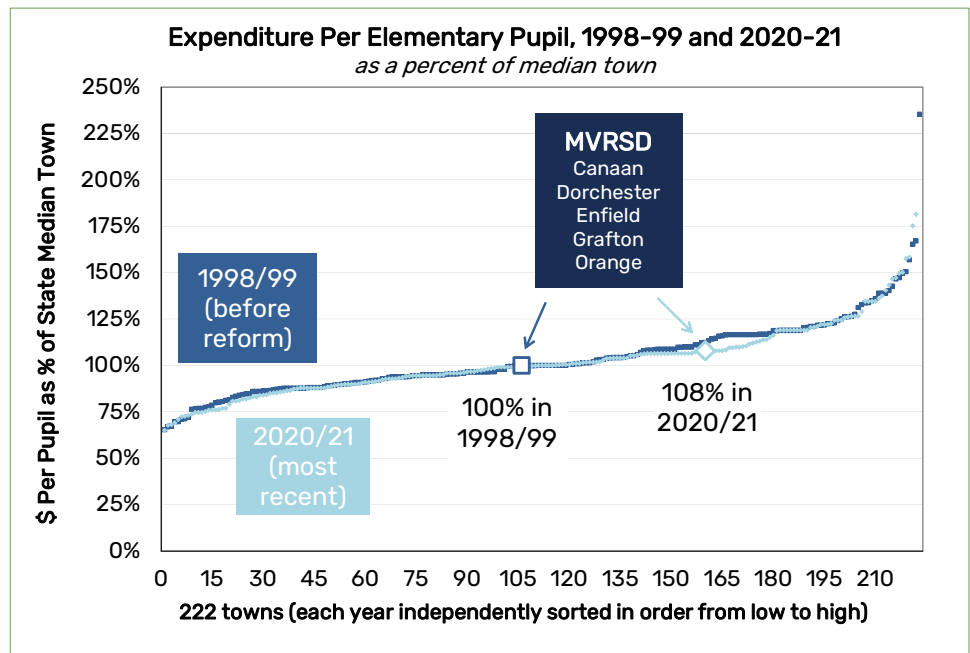
Answers to Key Questions about School Funding in the Mascoma Valley Regional School District

February 2022

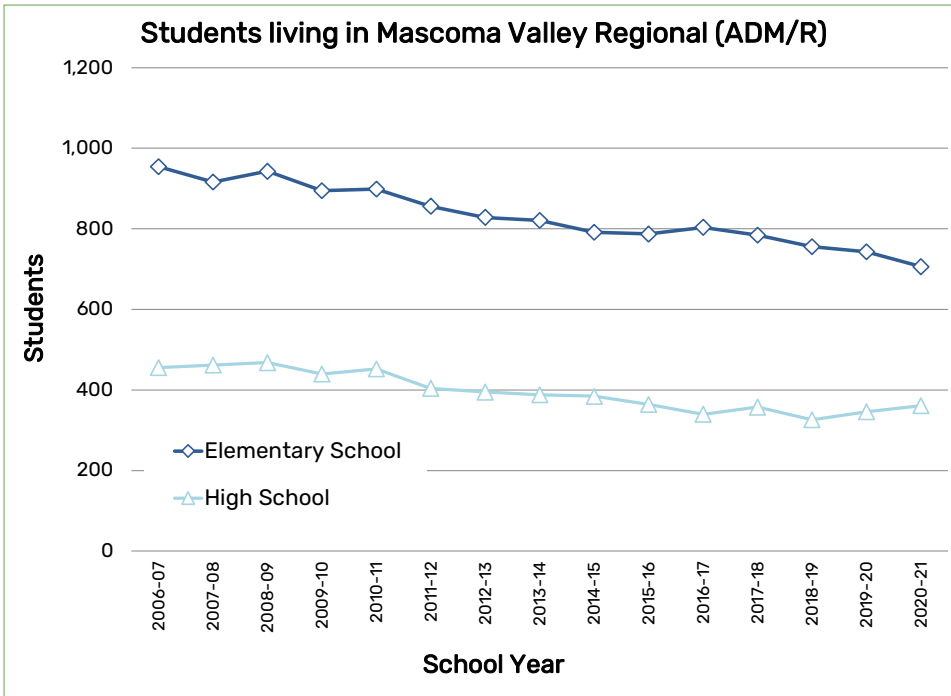
New Hampshire's public school system – and the way in which money is raised to pay for it – touches the lives of all Granite Staters, yet can often be difficult to understand. Listed below are a few questions you might have about how schools are funded in the Mascoma Valley Regional School District (MVRSD), along with helpful facts and figures in response. (MVRSD serves five towns: Canaan, Dorchester, Enfield, Grafton, and Orange.) After reading them, we hope you'll have a better appreciation of some of the inequities that plague our school funding system.

What Does Mascoma 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, MVRSD spent \$5,943 per elementary school student or 100 percent of what the typical (or median) town had spent. In school year 2020-21, MVRSD spent \$22,878 per elementary pupil, somewhat more than the typical town.



All told, New Hampshire's public school districts spent \$3.3 billion during the 2020-21 school year. Of that amount, 40 percent was dedicated to regular classroom instruction, 21 percent to other educational programs (including special education and vocational instruction), 11 percent to administration, and the remainder was devoted to transportation, food services, and other purposes. Collectively, Mascoma Valley's total school spending that year was \$27.97 million, with 35 percent allocated to regular instruction, 27 percent to other educational programs, and 11 percent to administration.



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

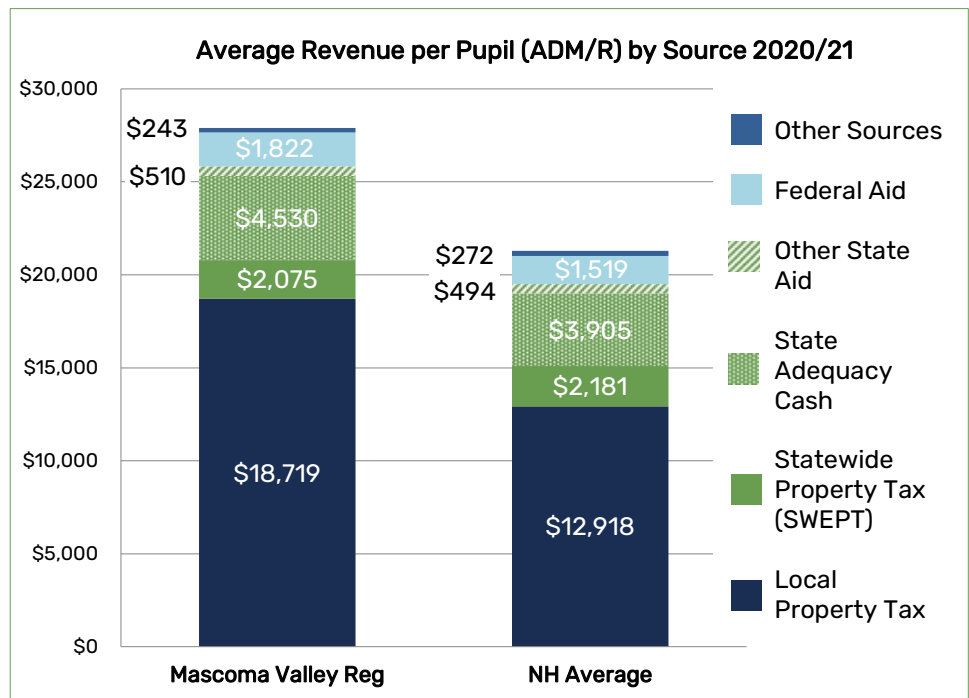
Average Daily Membership in Residence (ADM/R) is one way in which enrollment is measured. It measures the number of students residing in a school district, regardless of where they attend school. Overall in New Hampshire, ADM/R has been in slow decline in recent years. Within MVRSD, the decline has been about 25 percent since 2006-07. The chart at left displays trends for elementary school and

high school students within MVRSD for the past fifteen years. During this period, the total number of students classified as attending elementary school fell 26 percent, while those classified as high school students declined roughly 21 percent.

How Does Mascoma Pay for Public Schools?

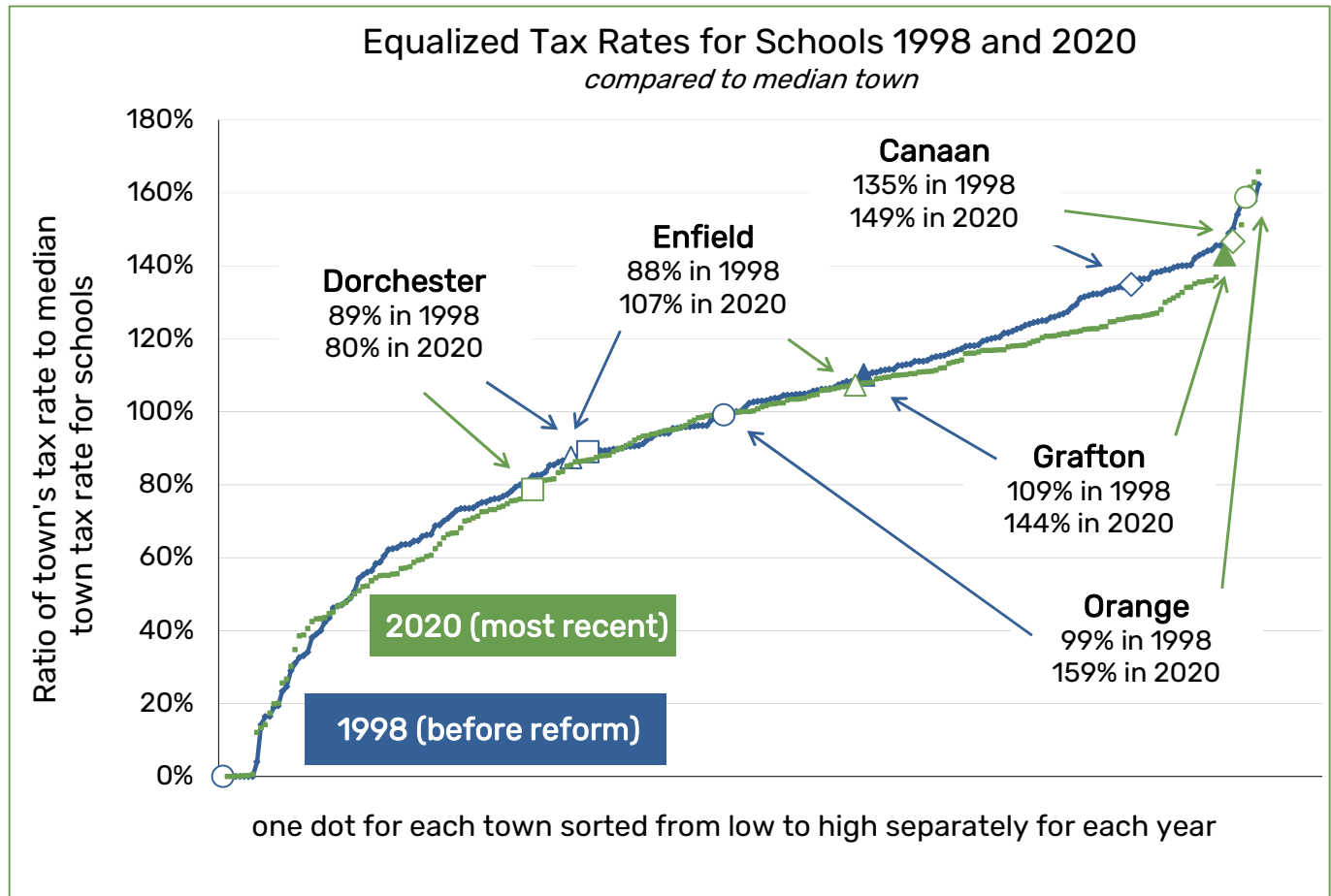
The graph at right shows all of the various revenue sources that Mascoma Valley collectively uses to pay for its public schools, measuring them on a per pupil basis. It also compares Mascoma’s revenue sources to the New Hampshire average. As it makes clear, local property taxes are a key source of revenue for public schools, both for Mascoma and across the state.

During the 2020-21 school year, MVRSD’s total school revenue was \$27,899 per pupil, approximately 31



percent above the state average of \$21,288. Local property taxes provided \$18,719 or 67 percent of that overall amount. Mascoma generated more revenue per pupil from property taxes than the state average and received more state adequacy aid than average.

How Do Mascoma's Property Tax Rates Compare to Other Communities?



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 was 1998. That year, Canaan's equalized school property tax rate was \$25.13 per \$1,000 of property value. This rate was 135 percent of the rate for the median town in the state. In 2020, the equalized school property tax rate in Canaan was \$19.51 per \$1,000 of value (a \$17.93 local tax rate plus a \$1.58 state tax rate, which is retained by the town). This total tax rate was 149 percent of the state median town.

In 1998, Dorchester's equalized school property tax rate was \$16.67 per \$1,000 of property value. This rate was 89 percent of the rate for the median town in the state. In 2020, the equalized school property tax rate in Dorchester was \$10.50 per \$1,000 of value (a \$8.92 local tax rate plus a \$1.58 state tax rate). This total tax rate was 80 percent of the state median town.

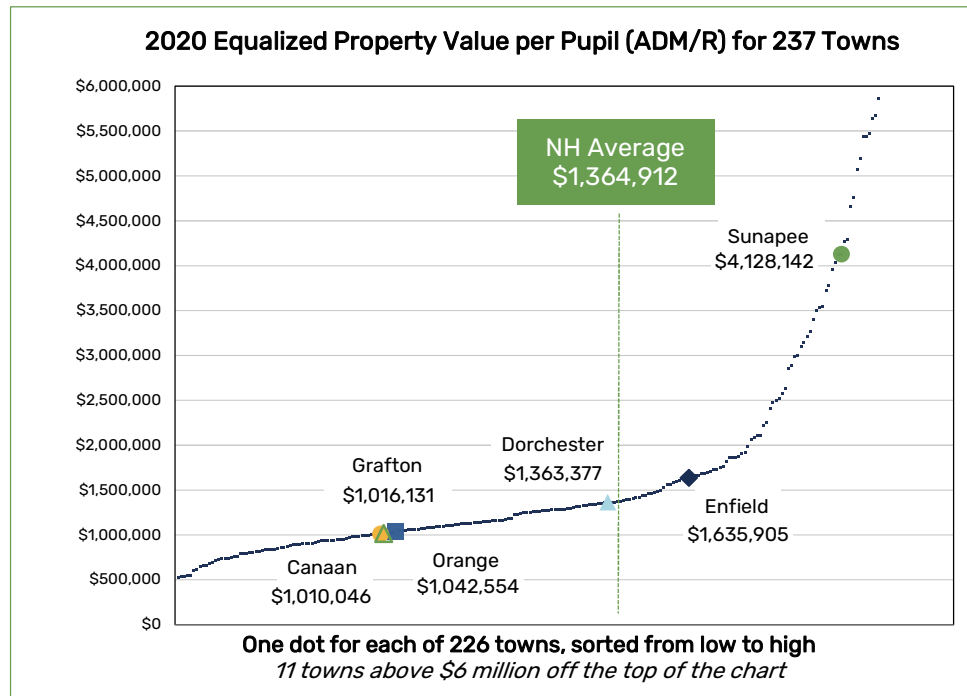
Enfield’s equalized school property tax rate was \$16.38 per \$1,000 of property value in 1998. This rate was 88 percent of the rate for the median town in the state. In 2020, the equalized school property tax rate in Enfield was \$14.08 per \$1,000 of value (a \$12.38 local tax rate plus a \$1.70 state tax rate). This total tax rate was 107 percent of the state median town.

Grafton’s equalized school property tax rate was \$20.26 per \$1,000 of property value in 1998 – or 109 percent of the rate for the median town in the state. In 2020, the equalized school property tax rate in Grafton was \$18.96 per \$1,000 of value (a \$17.22 local tax rate plus a \$1.74 state tax rate). This total tax rate was 144 percent of the state median town.

In 1998, Orange’s equalized school property tax rate was \$18.46 per \$1,000 of property value. This rate was 99 percent of the rate for the median town in the state. In 2020, the equalized school property tax rate in Orange was \$20.89 per \$1,000 of value (a \$18.94 local tax rate plus a \$1.95 state tax rate). This total tax rate was 159 percent of the state median town.

How Do Property Values in MVRSD 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, Canaan had \$444.1 million of equalized property valuation and 440 students (as measured by average daily membership in residence or ADM-R). This means that Canaan’s EQVP that year was \$1,010,046. The state average EQVP was \$1,364,912.

Dorchester had \$49.9 million of equalized property valuation and 37 students in 2020, resulting in an EQVP that year of \$1,363,377.

Enfield’s EQVP in 2020 was \$1,635,905. It had equalized property valuation of \$685.6 million and 419 students, as measured by ADM-R, that year.

In 2020, Grafton had \$140.8 million of equalized property valuation and 139 students. This means that Grafton's EQVP that year was \$1,016,131.

Orange's EQVP in 2020 was \$1,042,554. It had equalized property valuation of \$34.6 million and 33 students, as measured by ADM-R, that year.

Four of the towns that comprise MVRSD had property tax bases below the state average in 2020, while one was above average. None of the towns had extremely low or extremely high property tax bases compared to other communities.

The town of Sunapee does have a relatively large property tax base. In fact, in 2020, it was able to raise \$31,943 per pupil with an equalized school tax rate of only \$7.76. To raise the same amount per pupil from its tax base, Canaan's tax rate would have to be roughly \$31.63 or more than 4 times the rate in Sunapee.

Of course, that is not what happens. Canaan was only able to raise \$19,672 per pupil with an equalized school tax rate of \$19.51 – about 2.5 times Sunapee's current rate.

To better understand the impact those differences can have, imagine a classroom of 20 students. Canaan raises \$245,424 less for a classroom of that size than Sunapee does at a tax rate that is 2.5 times higher. 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.