

Answers to Key Questions about School Funding in Dover

June 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 Dover, 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 Dover 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, Dover spent \$5,675 per elementary school student or 98 percent of what the typical (or median) town had spent. In the school year 2020-21, Dover spent \$19,093 per elementary pupil, which was 90 percent of the NH Median. In both cases, the spending was below the state median.

Figure 2 compares spending per elementary pupil in Dover and the state average for the past fourteen years. As it shows, spending in Dover has gotten closer to the state average in more recent years.

Figure 1

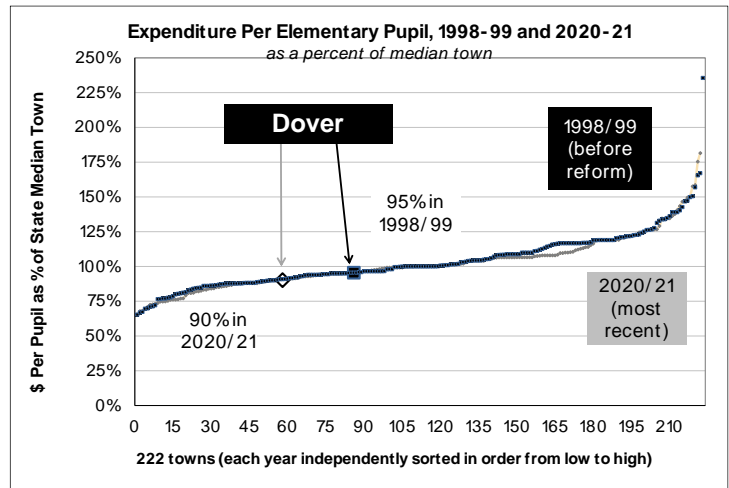
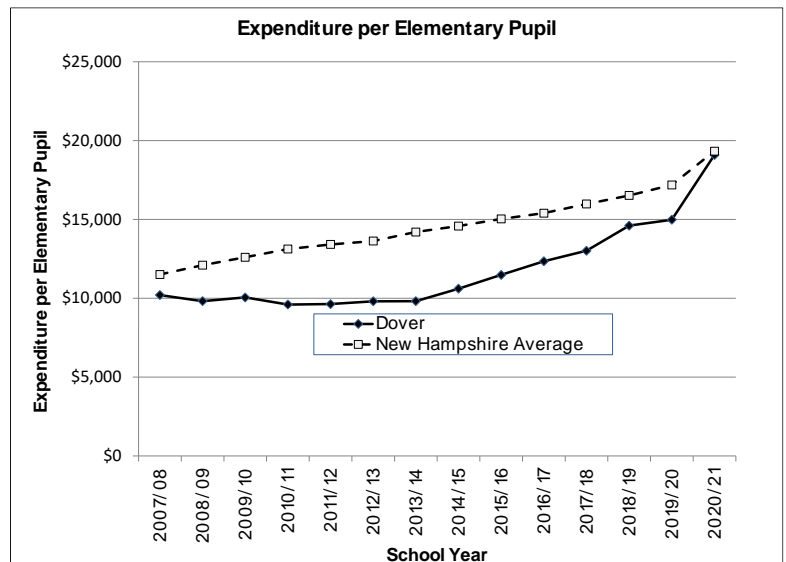


Figure 2



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, 21 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.

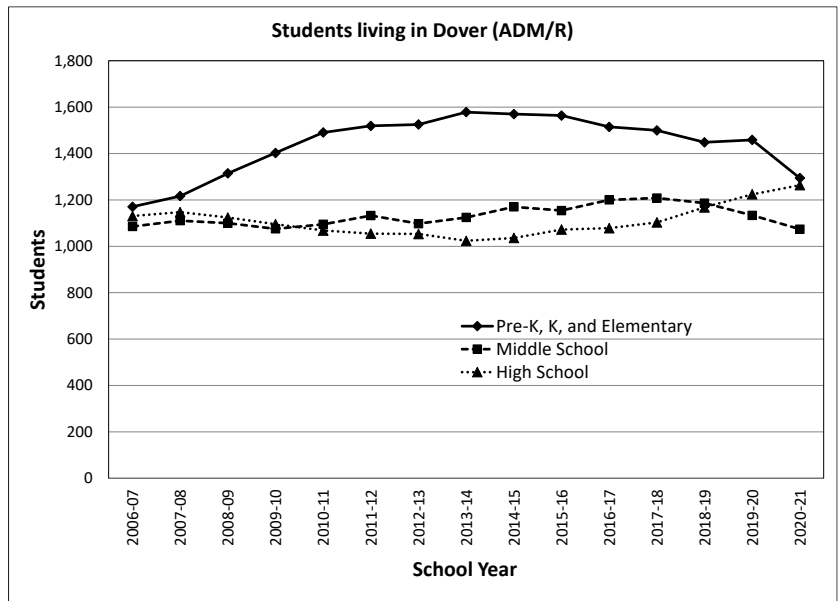
As shown in the table, the proportion of Dover School District’s spending that is for regular instruction is lower than the state average and spending on special education is higher than average.

Spending by Type	Percentage	
	Dover	NH Average
Regular Instruction	35%	40%
Special Programs	21%	19%
Vocational Programs	3%	1%
Other Instructional Programs	1%	1%
Student Support Services	7%	8%
Instructional Support Staff	3%	3%
Administration	11%	11%
Plant Operations	7%	9%
Pupil Transportation	4%	4%
Food Services	1%	2%
Bond & Note Interest	5%	1%
Other Expenses	1%	0%
Total Expenses	100%	100%

How Many Students Are Enrolled in Dover Central School and Tuitioned?

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, attributable to declining birth rates. In Dover, there has been an increase of 7.2 percent since 2006-07. Figure 3 displays ADM/R trends at Dover’s elementary, middle, and high schools for the past fifteen years. During this period, the number of elementary students increased 10.6 percent while middle school students decreased by 1.1 percent and high school students decreased by 11.6 percent.

Figure 3



How Does Dover Pay for Public Schools?

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

Figure 4

During the 2020-21 school year, Dover School District's total school revenue was \$19,900 per pupil, about 6.5 per cent less than the state average of \$21,288. Property taxes (local plus statewide) provided \$42,812,892 or 60 percent of the \$72,272,546 overall amount. Dover received about \$1200 less state "adequacy" aid per pupil than the average in New Hampshire.

How Do Dover'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, Dover's equalized property tax rate for its schools was \$13.19 per \$1,000 of property value. This rate was 71% of the median town. In 2020, the equalized school property tax rate in Dover was \$11.87 per \$1,000 of value (a \$10.13 local tax rate plus a \$1.74 state tax rate, which is retained locally). Dover's equalized tax rate for its schools is now 20% closer to the NH town median than it was in 1998.

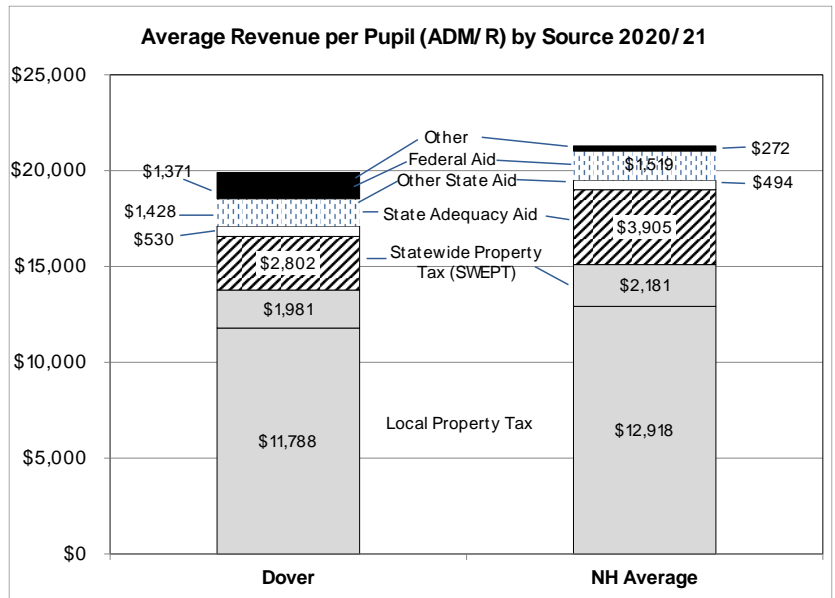
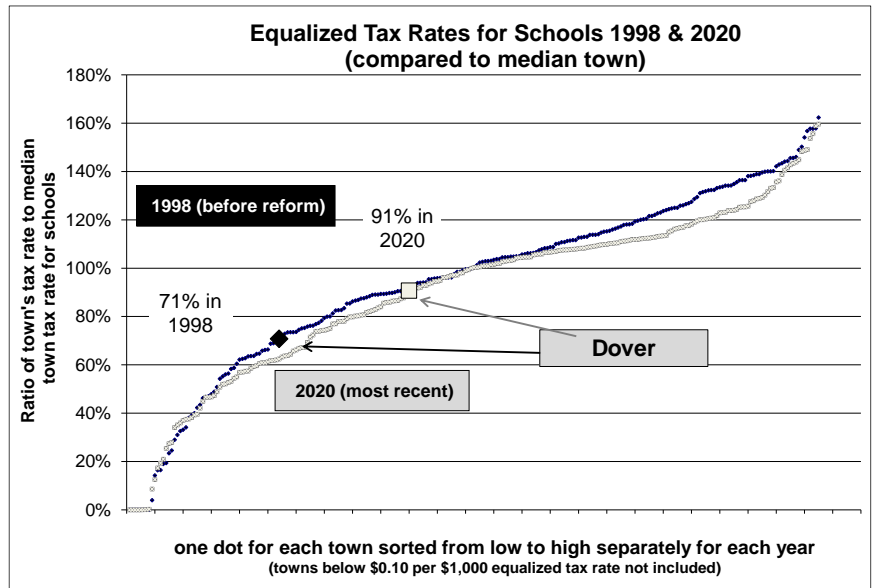


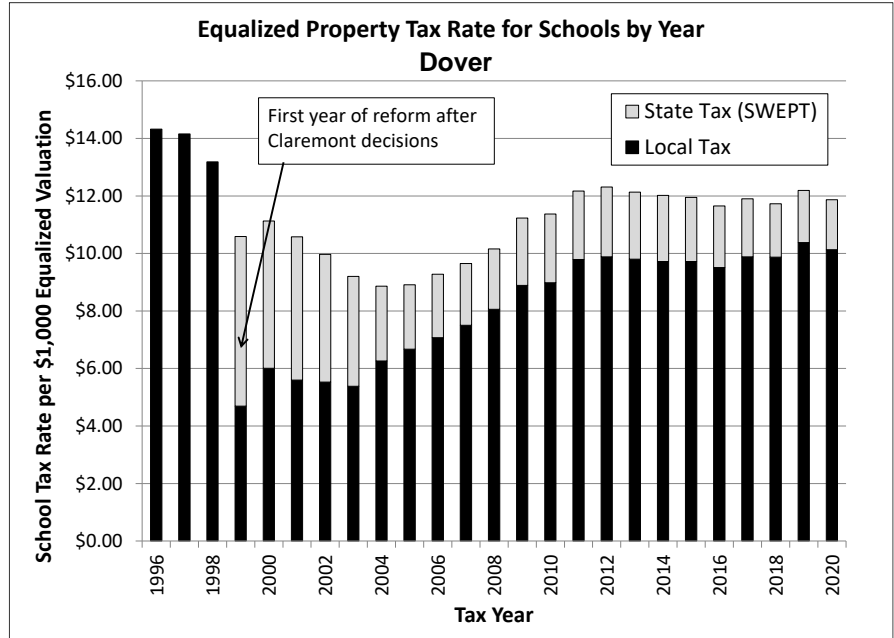
Figure 5



How Has Dover's School Property Tax Rate Changed Over Time?

The reforms enacted in 1998 imposed the Statewide Education Property Tax (SWEPT). In 1999 its rate was \$5.90 per thousand equalized valuations in Dover. Also in 1999 the state began distribution of its new "adequacy aid" to each district. The result for Dover was a sudden reduction in its equalized tax rate from \$13.19 per thousand in 1998 to \$4.69 in 1999. Since that time the total rate has steadily gone up, and the most recent equalized rate of \$11.87. Although relatively stable over the past 10 years, it is climbing closer to the rate in 1998.

Figure 6

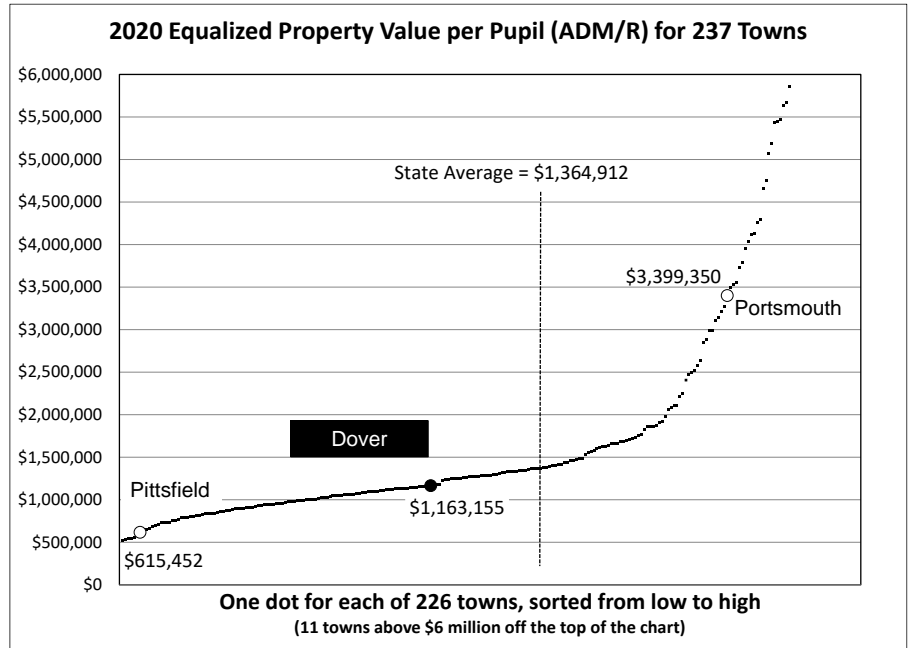


How Do Property Values in Dover Compare to Other Communities?

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 students whose education we pay for through our school budget?" 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, Dover had \$4.225 billion of equalized property valuation and 3,632 students (as measured by average daily membership in residence or ADM-R). This means that Dover's EQVP that year was \$13,770. The state average EQVP was \$1,364,912. Dover had only 85.2 percent of the state average.

Figure 7



Portsmouth had just about three times as much property value per student as Dover. Pittsfield is an example of one of many communities that had less property value per pupil than Dover

Think about it - if Dover and Portsmouth had to raise the same amount of revenue per pupil for their schools, Dover's school property tax rate would have to be nearly 3 times higher than that of Portsmouth.

Portsmouth's 2020 equalized tax rate of \$6.10 raised \$20,577 per student while Dover's rate of \$11.87 raised \$13,770, 85.2 percent as much per student. Portsmouth is raising about \$136,000 more per classroom of 20 students than Dover at a rate that is nearly half that of Dover and is doing this 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.