

Answers to Key Questions about School Funding in Epping

March 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 Epping, 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 Epping 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, Epping spent \$5,145 per elementary school student or 87 percent of what the typical (or median) town had spent. In the school year 2020-21, Epping spent \$18,022 per elementary pupil, about the same percentage. In both cases, the spending was well below many other districts.

Figure 2 compares spending per elementary pupil in Epping and the state average for the past fourteen years. As it shows, spending in Epping has been very close to the state average over many years.

Figure 1

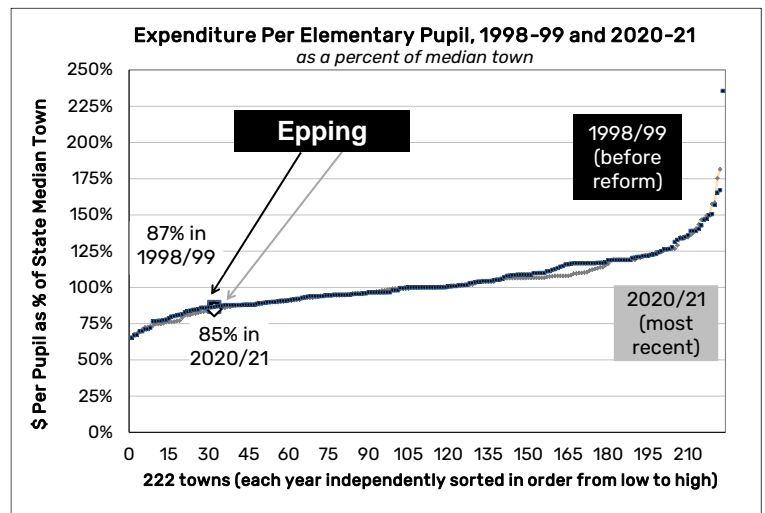
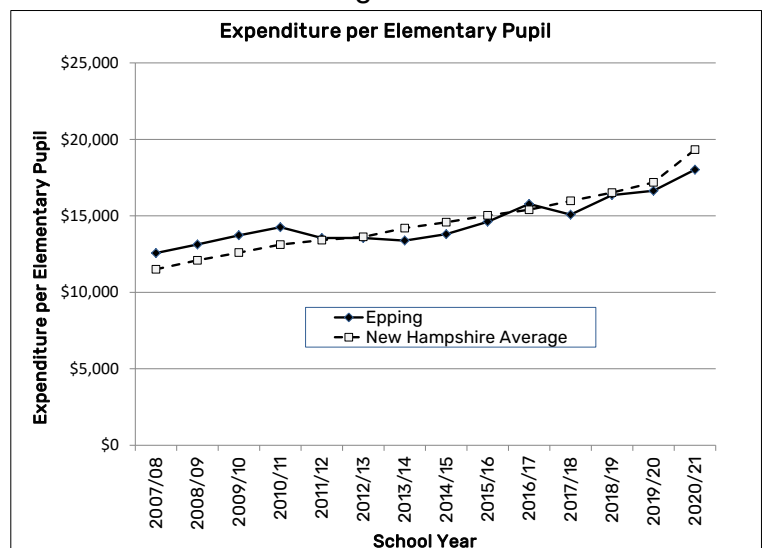


Figure 2



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.

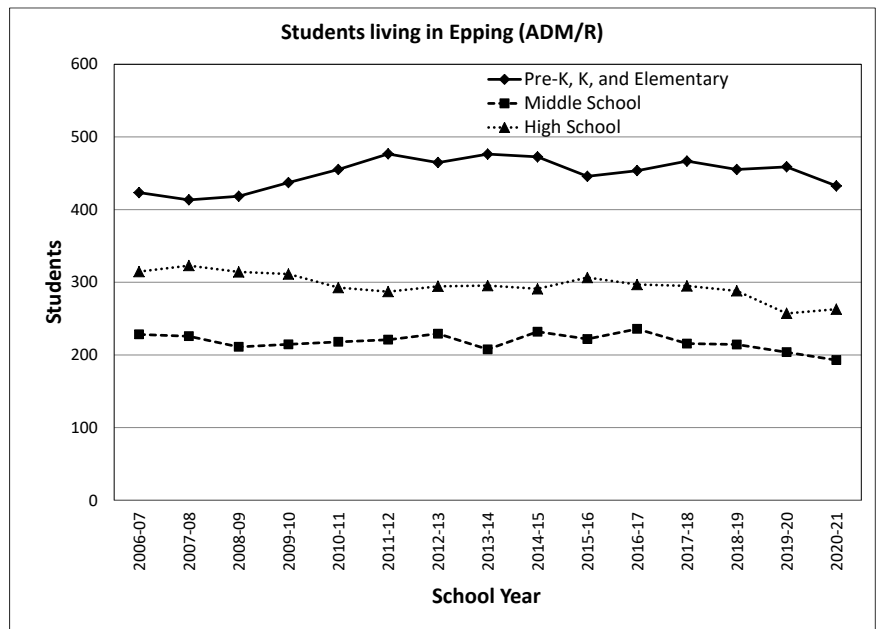
Spending by Type	Percentage	
	Epping	NH Average
Regular Instruction	43%	40%
Special Programs	14%	19%
Vocational Programs	1%	1%
Other Instructional Programs	2%	1%
Student Support Services	9%	8%
Instructional Support Staff	6%	3%
Administration	12%	11%
Plant Operations	9%	9%
Pupil Transportation	3%	4%
Food Services	1%	2%
Bond & Note Interest	1%	1%
Other Expenses	0%	0%
Total Expenses	100%	100%

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

How Many Students Are Enrolled in Epping 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 Epping, the decline has been 8 percent since 2006-07. Figure 3 displays ADM/R trends at Epping’s elementary, middle, and high schools for the past fifteen years. During this period, the number of elementary students actually increased 2 percent while middle school students decreased by 15 percent and high school students decreased by 16 percent.

Figure 3



How Does Epping Pay for Public Schools?

Figure 4 shows all of the various revenue sources that Epping uses to pay for its students’ education, measuring them on a per pupil basis. It also compares Epping’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 Epping and across the state.

During the 2020-21 school year, Epping School District's total school revenue was \$23,902 per pupil, about 12 per cent more than the state average of \$21,288. Property taxes (local plus statewide) provided \$16,064,698 or 75 percent of the \$21,232,895 overall amount. Epping received about \$450 less state "adequacy" aid per pupil than the average in New Hampshire.

How Do Epping'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, Epping's equalized property tax rate for its schools was \$20.65 per \$1,000 of property value. This rate was 115% of the median town. In 2020, the equalized school property tax rate in Epping was \$15.75 per \$1,000 of value (a \$14.00 local tax rate plus a \$1.75 state tax rate, which is retained locally). Epping's equalized tax rate for its schools is now 27% less than it was in 1998.

Figure 4

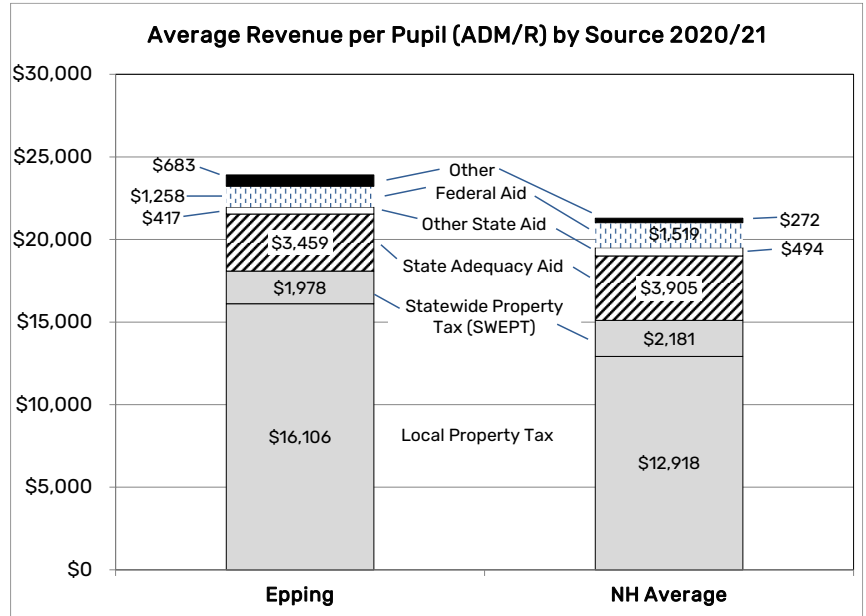
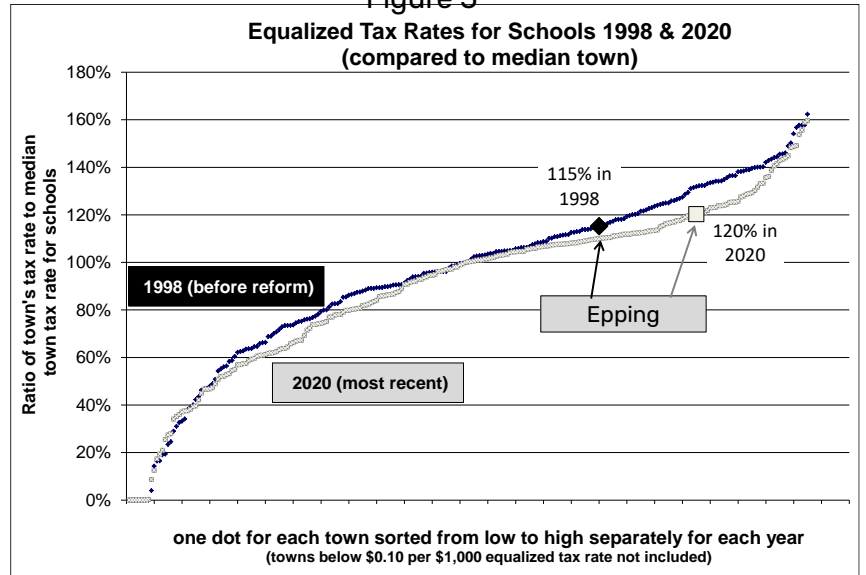


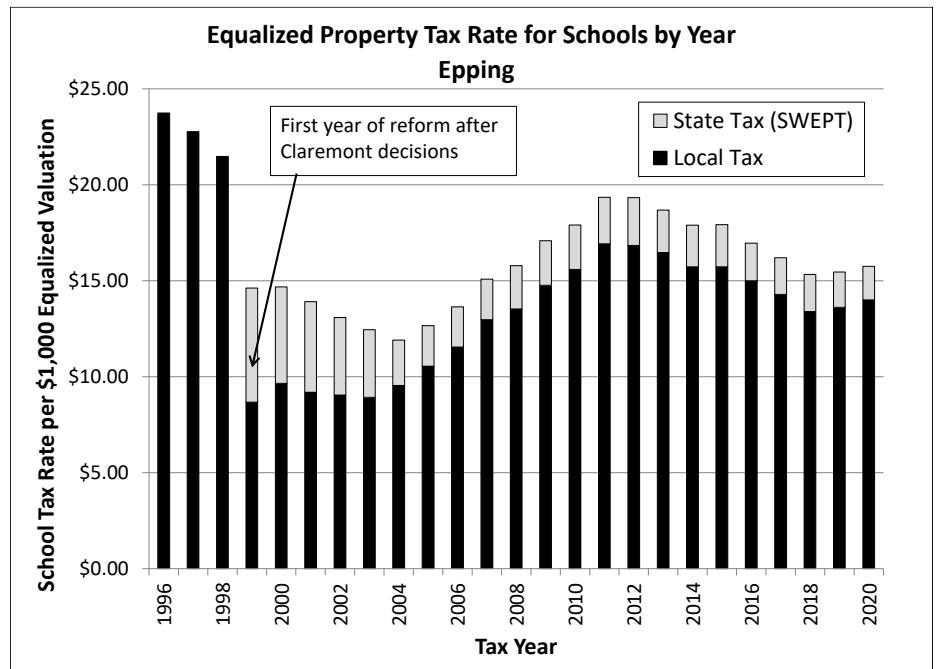
Figure 5



How Has Epping'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 \$5.95 per thousand equalized valuation in Epping. Also in 1999 the state began distribution of its new "adequacy aid" to each district. The result for Epping was a sudden reduction in its equalized tax rate from \$21.48 per thousand in 1998 to \$14.62 in 1999. Since that time the total rate has varied up and down, but the most recent equalized rate of \$14.75 is very similar to the rate in 1999.

Figure 6

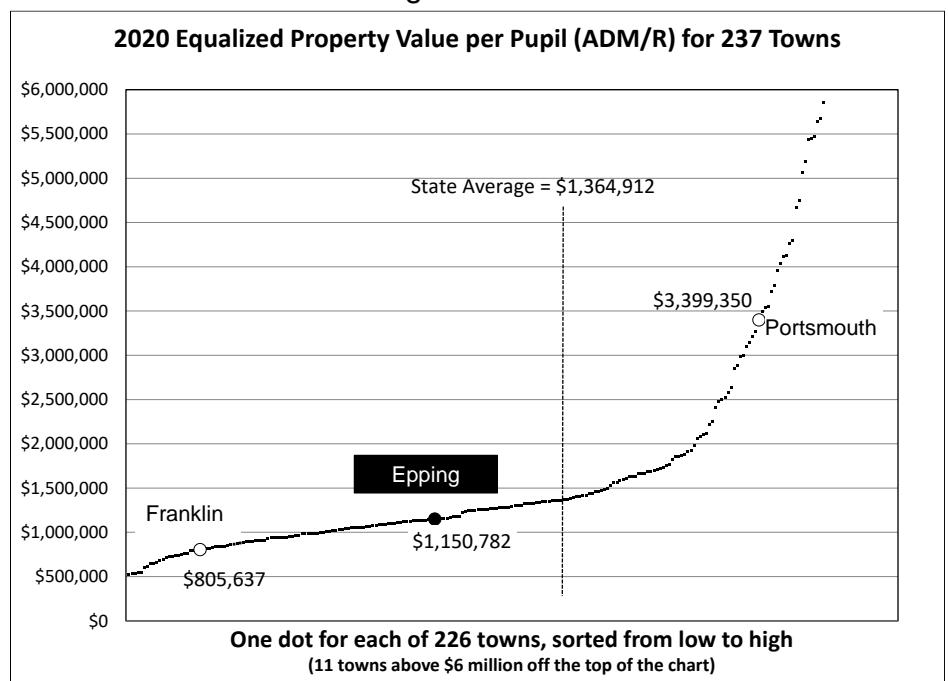


How Do Property Values in Epping Compare to Other Communities?

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, Epping had \$1.022 billion of equalized property valuation and 888 students (as measured by average daily

Figure 7



membership in residence or ADM-R). This means that Epping's EQVP that year was \$1,150,782. The state average EQVP was \$1,364,912. Epping had only 84 percent of the state average. Portsmouth had just about three times as much property value per student as Epping. Franklin is an example of one of many communities that had less property value per pupil than Epping

Think about it - if Epping and Portsmouth had to raise the same amount of revenue per pupil for their schools, Epping'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 Epping's rate of \$15.75 raised \$18,084, 87 percent as much per student. Portsmouth is raising nearly \$50,000 more per classroom of 20 students than Epping at a rate that is 38 percent that of Epping 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.