

Answers to Key Questions about School Funding in Croydon

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 Croydon, 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 Croydon 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, Croydon spent \$4,148 per elementary school student or 70 percent of what the typical (or median) town had spent. In school year 2020-21, Croydon spent \$22,534 per elementary pupil, somewhat more than the typical town.

Figure 2 compares spending per elementary pupil in

Croydon and the state average for the past fourteen years. As it shows, spending in Croydon was sometimes spending more per pupil than the average and sometimes spending less than the average. The great variation from year to year is due to the small size of the school district. Even with a constant level of spending for its elementary school from year to year, the change in the number of students will cause a significant variation in spending per pupil. For instance, Croydon spent 69 percent of the state average in 2013-2014 and it spent 109 percent the very next year, 2014-2015.

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

Figure 1

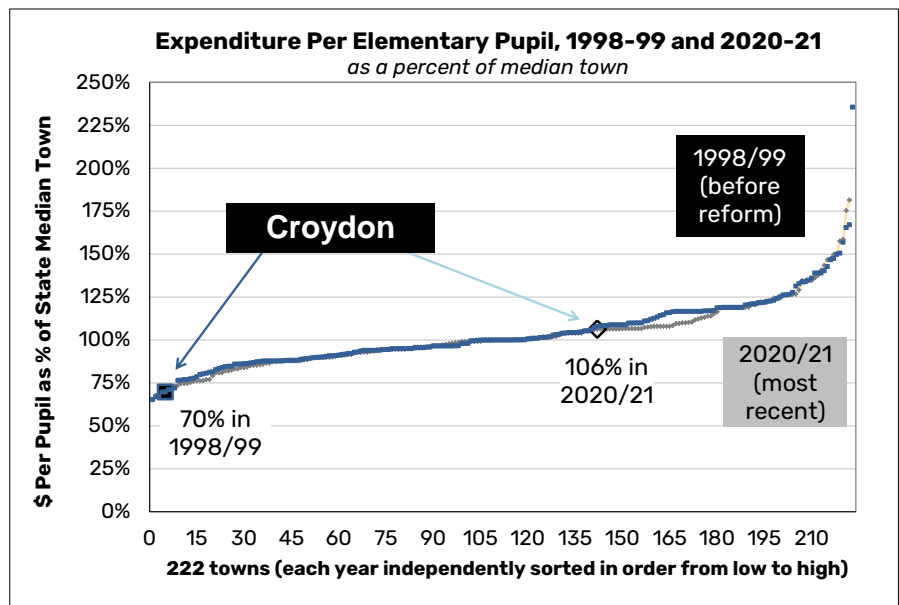
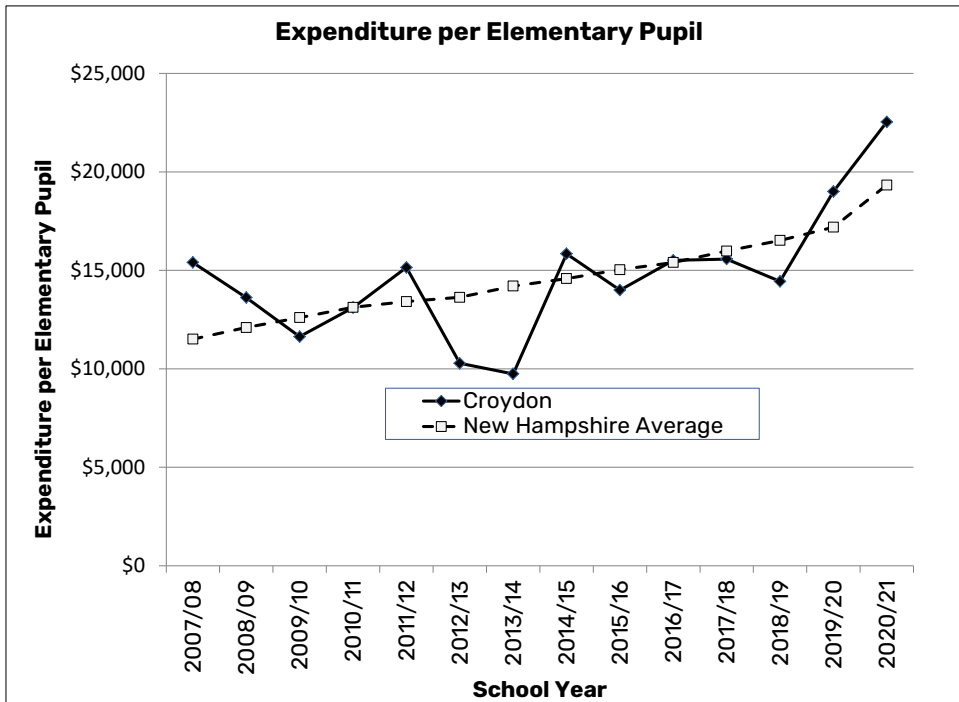


Figure 2



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.

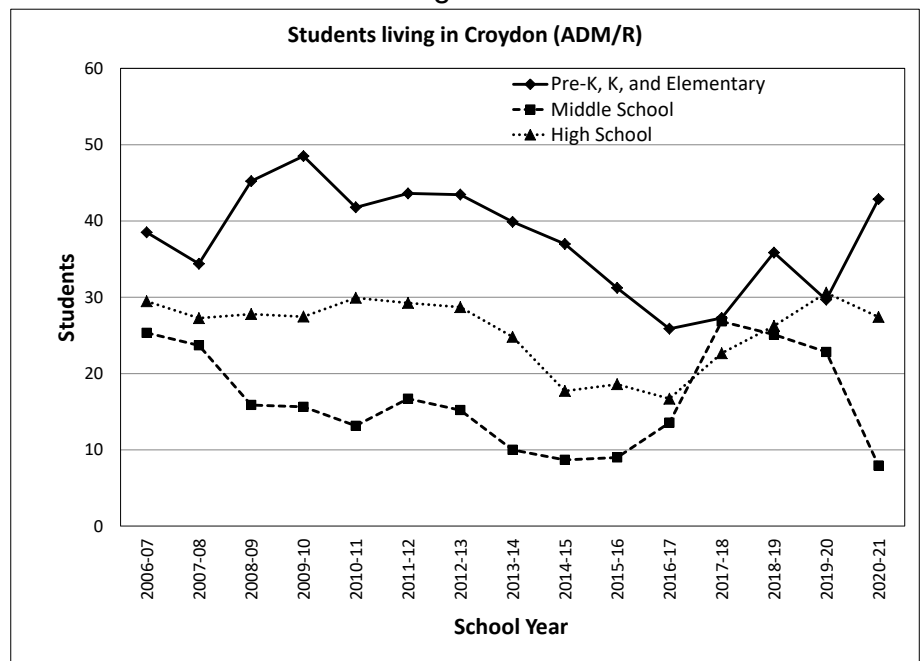
Croydon School District's spending cannot be easily compared to the state average because a large part of Croydon's expenses are tuition payments for 5th to 12th grade students. In the district's financial reports, the tuition is not broken out among special

education, administration, building maintenance as it would if it had its own schools for higher grades.

How Many Students Are Enrolled in Croydon's Village 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. In Croydon, the decline has been 16 percent since 2006-07. Figure 3 displays ADM/R trends at Croydon Village School and for those tuitioned into higher grades for the past fifteen years. During this period, the total of elementary students increased 11 percent while the number of middle school students has declined

Figure 3

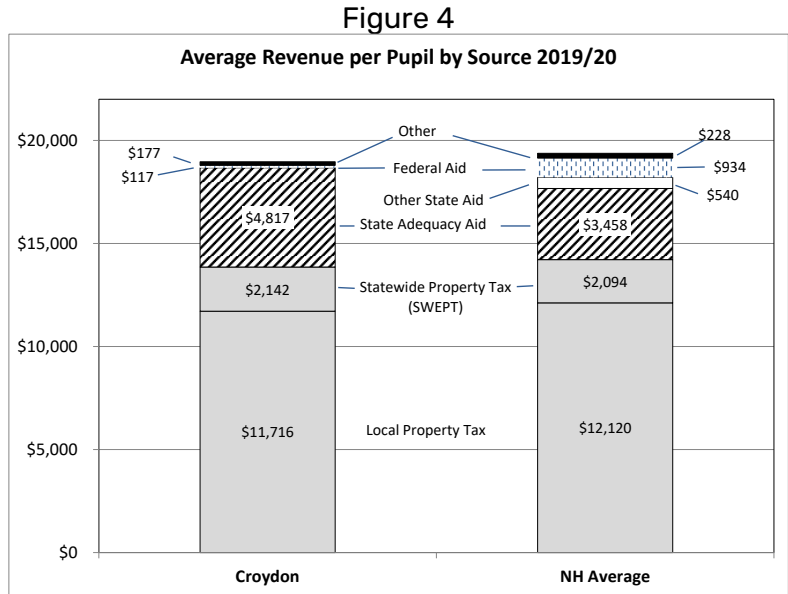


69 percent and the number of high school students has declined by 7 percent. All show considerable variation from year to year because of the small size of the district.

How Does Croydon Pay for Public Schools?

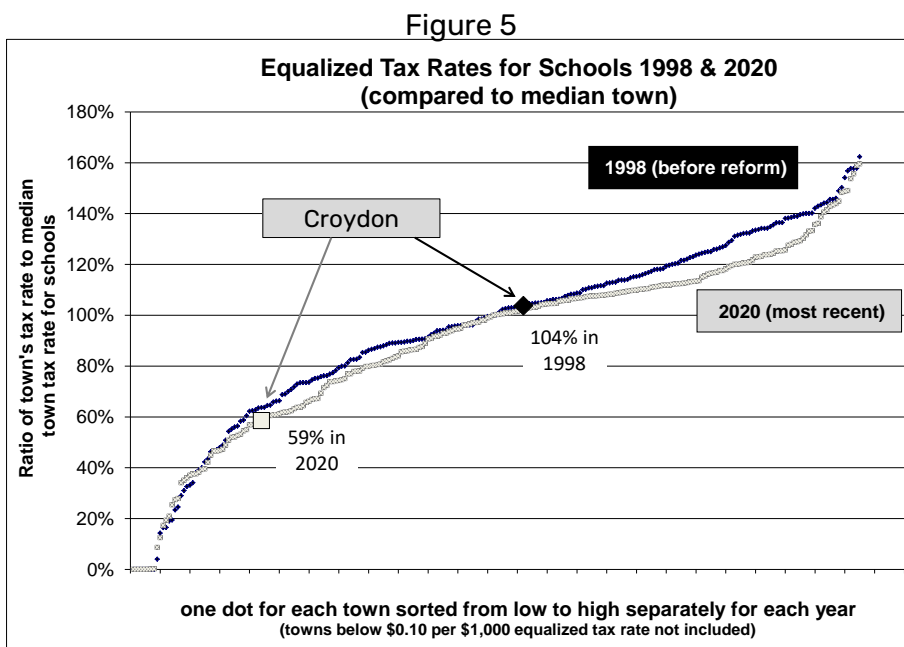
Figure 4 shows all of the various revenue sources that Croydon uses to pay for its students' education, measuring them on a per pupil basis. It also compares Croydon's revenue sources to the New Hampshire average. As this figure makes clear, local property taxes are a key source of revenue for public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

During the 2020-21 school year, Croydon School District's total school revenue was \$18,968 per pupil, about 11% less than the state average of \$21,288. Property taxes (local plus statewide) provided \$1,151,695 or 73 percent of the \$1,576,417 overall amount. Croydon received considerably more state "adequacy" aid per pupil than the average in New Hampshire. But it received no other state aid and considerably less federal aid.



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

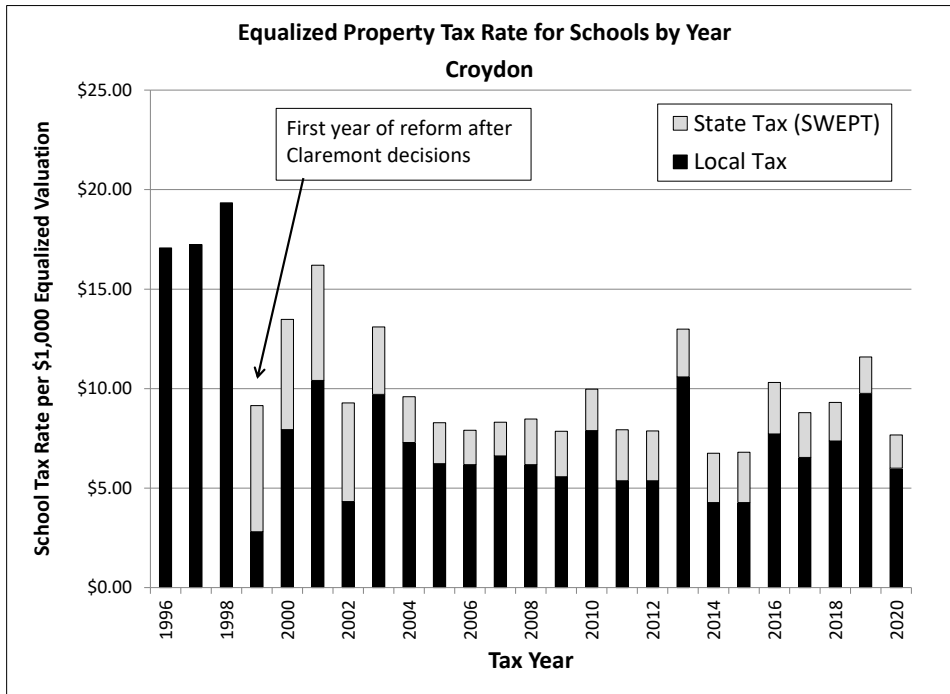
1998 was the last tax year before the state responded to the Supreme Court's *Claremont* rulings and introduced new aid to pay for an "adequate" education. That year, Croydon's equalized property tax rate for its schools was \$19.34 per \$1,000 of property value. This rate was almost exactly that of the typical town – it amounted to 104 percent of the rate for the median town in the state. In 2020, the equalized school property tax rate in Croydon was \$7.67 per \$1,000 of value (a \$6.00 local tax rate plus a \$1.67 state tax rate, which is retained locally). Croydon's equalized tax rate for its schools is now less than half of what it was in 1998.



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

Figure 6



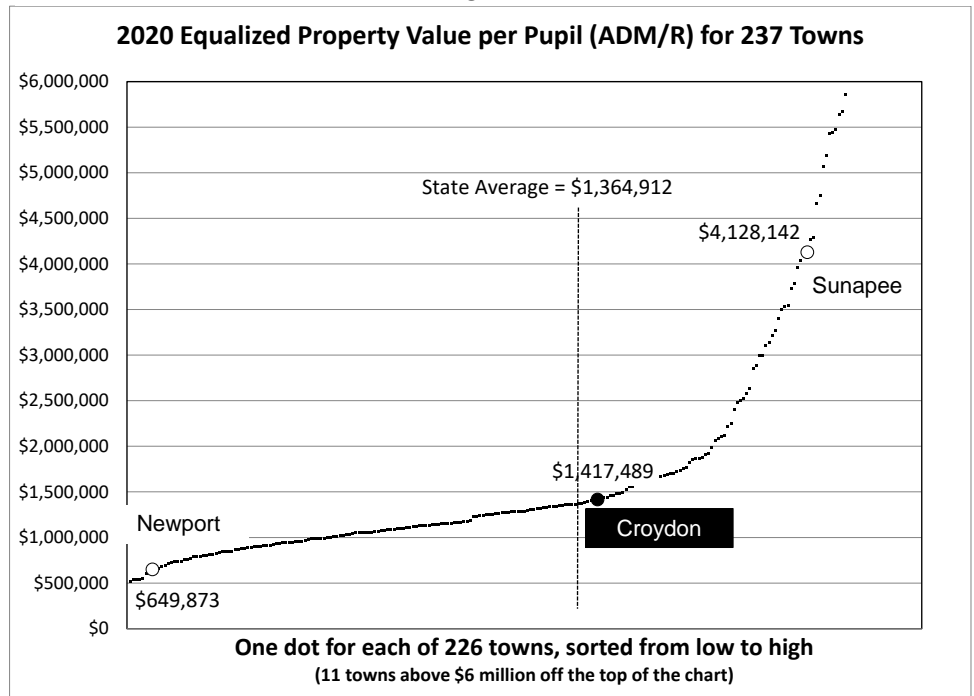
The reforms enacted in 1998 imposed the Statewide Education Property Tax (SWEPT). In 1999 its rate was \$6.60 per thousand equalized valuation. Also in 1999 the state began distribution of its new “adequacy aid” to each district. The result for Croydon was a sudden reduction in its equalized tax rate of over \$10.00 per thousand, \$19.34 in 1998 to \$9.15 in 1999. Since that time the total rate has varied up and down. The equalized SWEPT rate, however has been in decline from \$6.34 in 1999 to \$1.67 in 2020.

How Do Property Values in Croydon 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, Croydon had \$110.9 million of equalized property valuation and 78

Figure 7



students (as measured by average daily membership in residence or ADM-R). This means that Croydon's EQVP that year was \$1,417,489. The state average EQVP was \$1,364,912. Croydon had 104 percent of the state average. Sunapee had nearly three times as much property value per student as Croydon. And neighboring Newport had less than half that of Croydon.

Think about it - if Croydon and Sunapee had to raise the same amount of revenue per pupil for their schools, Croydon's school property tax rate would have to be 2.7 times higher than that of Sunapee.

Sunapee's 2020 equalized tax rate of \$7.76 was almost identical to that of Croydon's \$7.67. Sunapee raised over \$31,943 per student while Croydon raised only \$10,797, only one third as much per student. Sunapee is raising \$422,000 more per classroom of 20 students than Croydon and it 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.