

Answers to Key Questions about School Funding in Kensington

October 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 Kensington, 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 Kensington 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, Kensington spent \$5,936 elementary school student or 100% percent of what the typical (or median) town had spent. In the school year 2020-21, Kensington spent \$26,644 per elementary pupil, which was 126 percent of the NH Median.

Figure 2 compares spending per elementary pupil in Kensington and the state average for the past fourteen years. As it shows, spending in Kensington has been above the state average over the years.

Figure 1

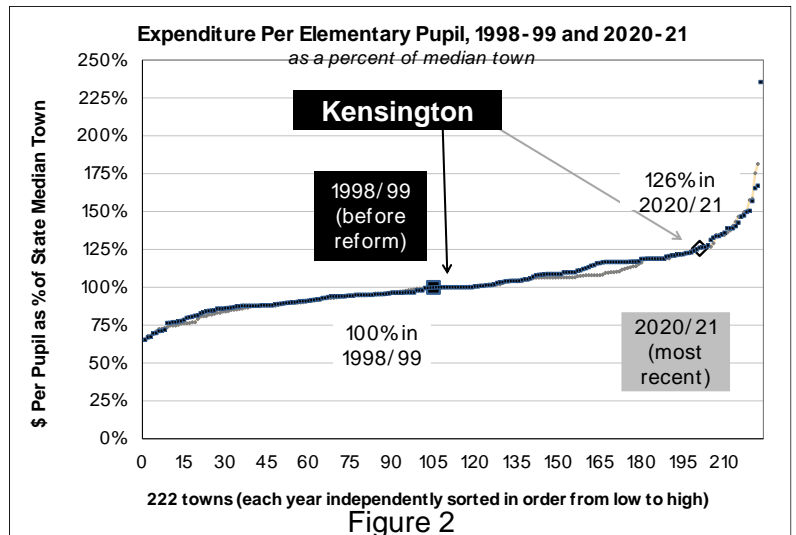
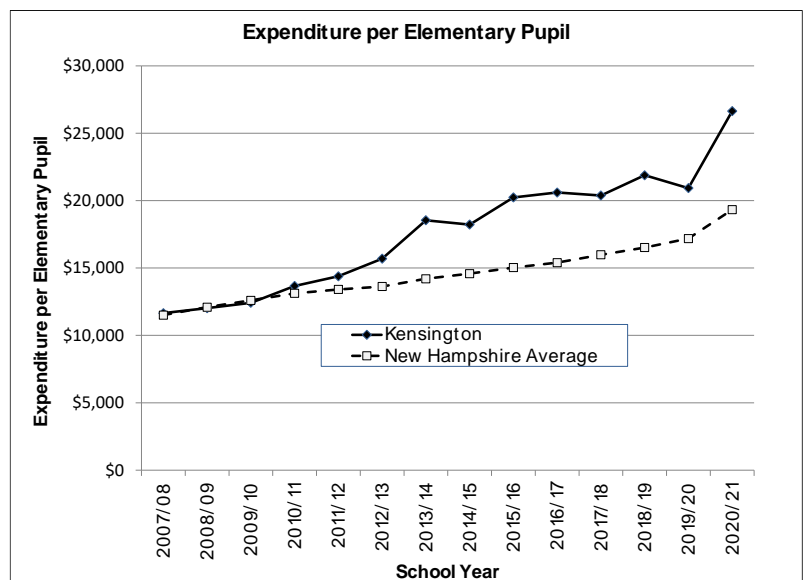


Figure 2



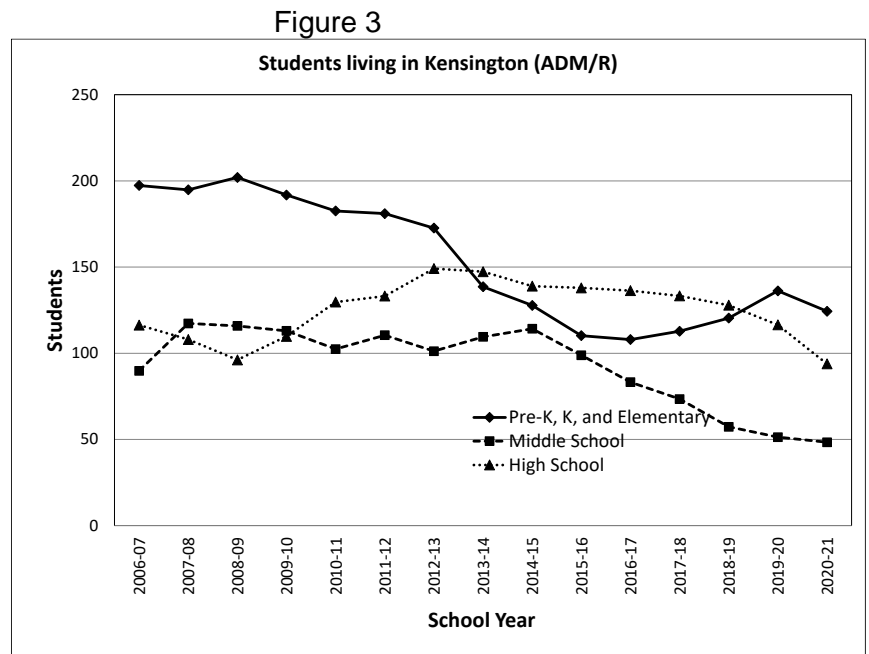
All told, New Hampshire’s public-school districts spent \$3.54 billion during the 2020-21 school year. Of that amount, 40 percent was dedicated to regular classroom instruction, 21 percent to other educational programs (including special education and vocational instruction), 11 percent to administration, 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 Kensington School District’s for regular instruction, special programs and student support services is more than the state average.

Spending by Type	Percentage	
	Kensington	NH Average
Regular Instruction	43%	40%
Special Programs	15%	19%
Vocational Programs	0%	1%
Other Instructional Programs	0%	1%
Student Support Services	9%	8%
Instructional Support Staff	6%	3%
Administration	9%	11%
Plant Operations	11%	9%
Pupil Transportation	4%	4%
Food Services	2%	2%
Bond & Note Interest	0%	1%
Other Expenses	0%	0%
Total Expenses	100%	100%

How Many Students Are Enrolled in Kensington’s 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 town. Overall, in New Hampshire, ADM/R has been in slow decline in recent years, attributable to declining birth rates. In Kensington, there has been a decrease of 33.9 percent since 2006-07. Figure 3 displays ADM/R trends at Kensington’s schools for the past fifteen years.



How Does Kensington Pay for Public Schools?

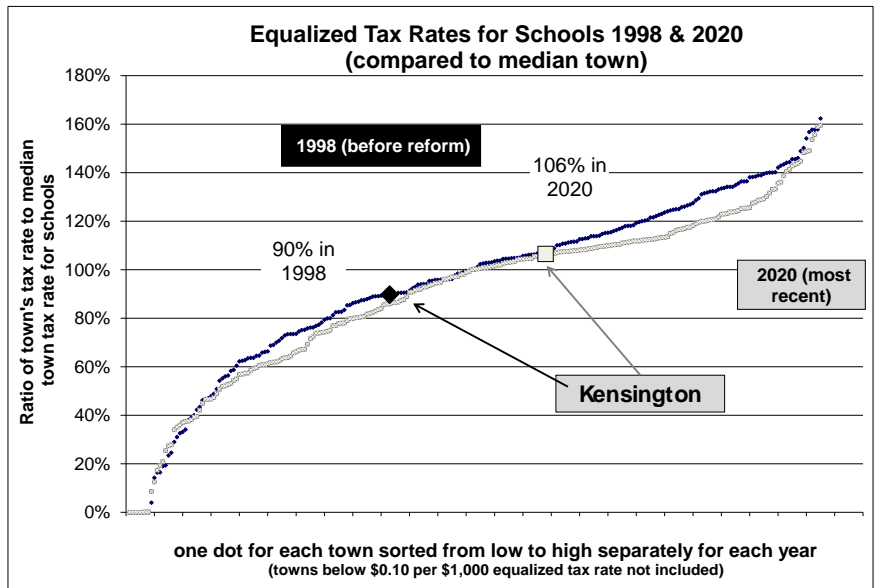
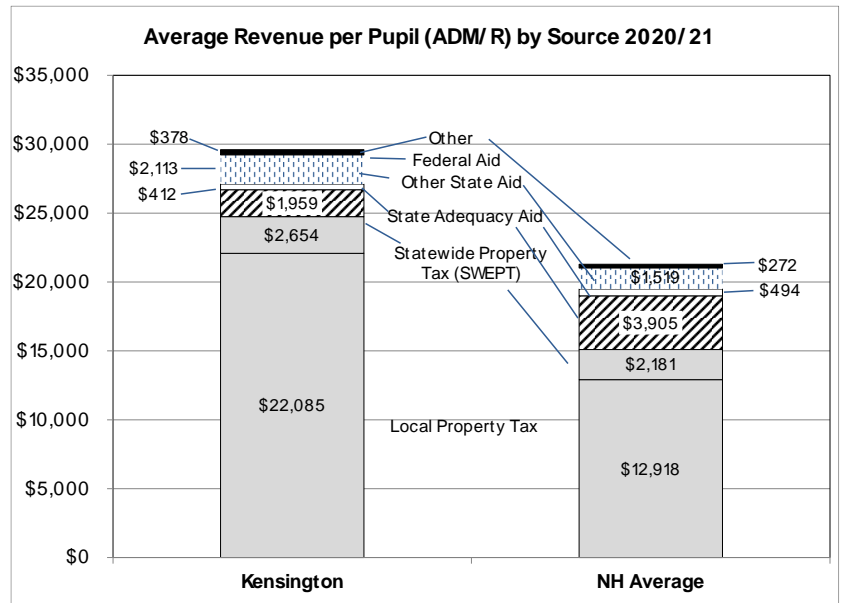
Figure 4 shows all the various revenue sources that Kensington uses to pay for its students’ education, measuring them on a per pupil basis. It also compares Kensington’s revenue sources to the New Hampshire average. As this figure makes clear, local property taxes are the major source of revenue for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

During the 2020-21 school year, Kensington School District's total school revenue was \$29,758 per pupil, a bit more than the state average of \$21,288. Property taxes (local plus statewide) provided \$2,760,593 or 75 percent of the \$3,700,146 overall amount. Kensington received \$1,970 state "adequacy" aid per pupil. The state average aid is \$3900.

How Do Kensington'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, Kensington's equalized property tax rate for its schools was \$16.72 per \$1,000 of property value. This rate was 90% of the median town. In 2020, the equalized school property tax rate in Kensington was \$13.94 per \$1,000 of value (a \$12.25 local tax rate plus a \$1.69 state tax rate, which is retained locally).

Figure 4



How Has Kensington' School Property Tax Rate Changed Over Time?

The reforms enacted in 1998 imposed the Statewide Education Property Tax (SWEPT). In 1999 its rate was \$5.86 per thousand equalized valuations in Kensington. Also in 1999 the state began distribution of its new "adequacy aid" to each district. The result for Kensington was a sudden reduction in its equalized tax rate from \$16.72 per thousand in 1998 to \$13.89 in 1999. Since that time the total rate has fluctuated, and the most recent equalized rate of \$13.94

How Do Property Values in Kensington Compare to Other Communities?

The most important statistic that relates to 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, Kensington had \$450,521,543 of equalized property valuation and 267 students (as measured by average daily membership in residence or ADM-R). This means that Kensington's EQVP that year was \$1,690,277. The state average EQVP was \$1,364,912. Kensington had 123.8 percent of the state average. Pittsfield is an example of one of many communities that had less property value per pupil than Kensington

Clearly there is not a level playing field when it comes to the ability of towns' property tax bases to support their schools.

Figure 6

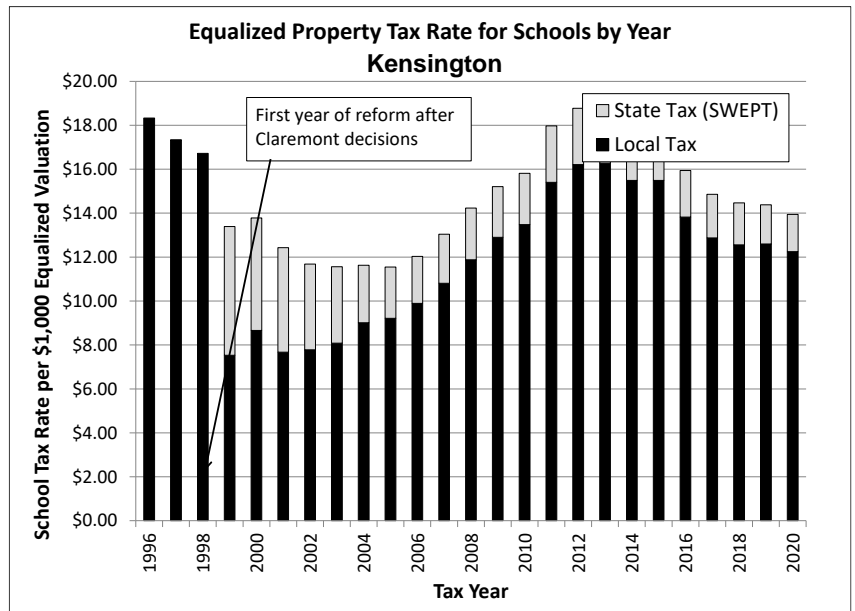
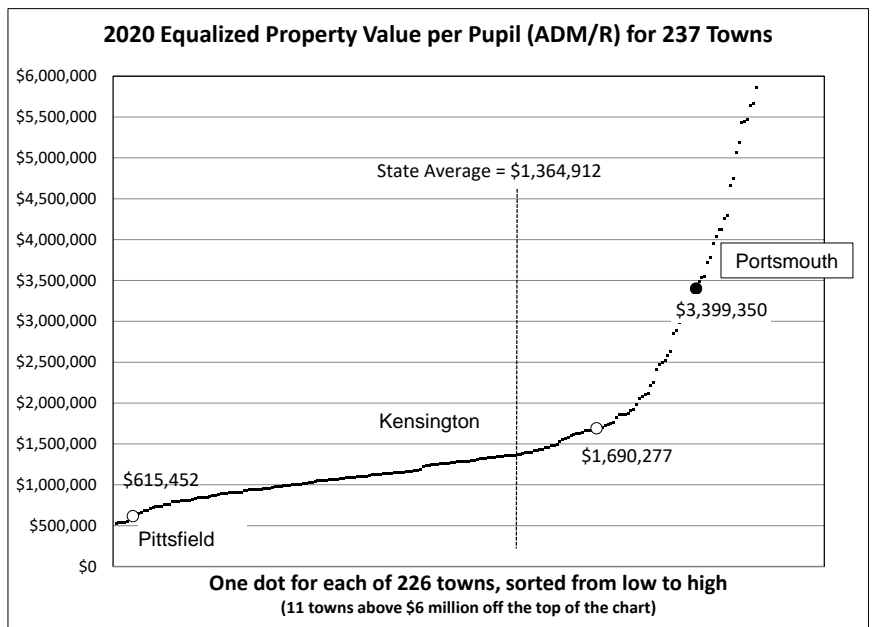


Figure 7



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.