

Answers to Key Questions about School Funding in Berlin

May 2023

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 Berlin, along with helpful facts and figures in response. After reading them, we hope you’ll better understand some of the inequities plaguing our school funding system.

What Does Berlin 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, Berlin spent \$5,588 per elementary school student or 91 percent of the typical (or median) town’s spending. In the school year 2021-22, Berlin spent \$20,245 per elementary pupil, which was 92 percent of the NH Median.

Figure 2 compares spending per elementary pupil in Berlin and the state average for the past fifteen years. It shows that spending in Berlin has remained constant with the state average over the years.

Figure 1

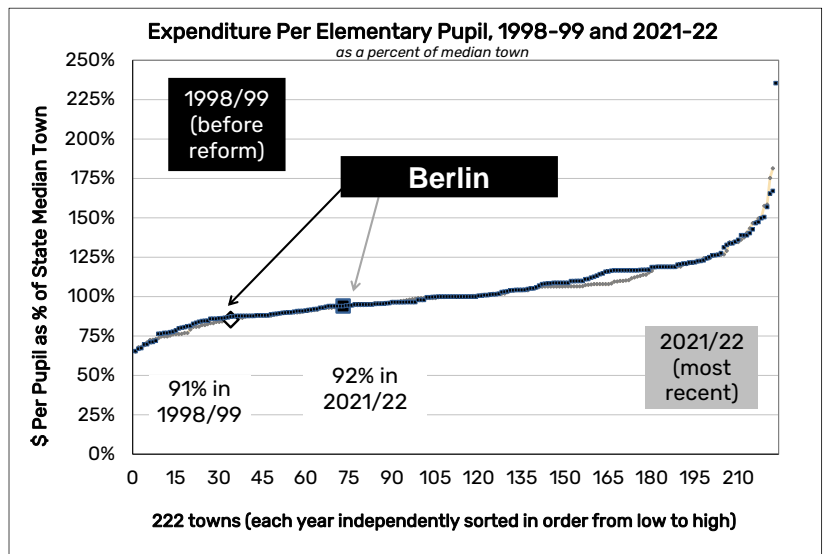
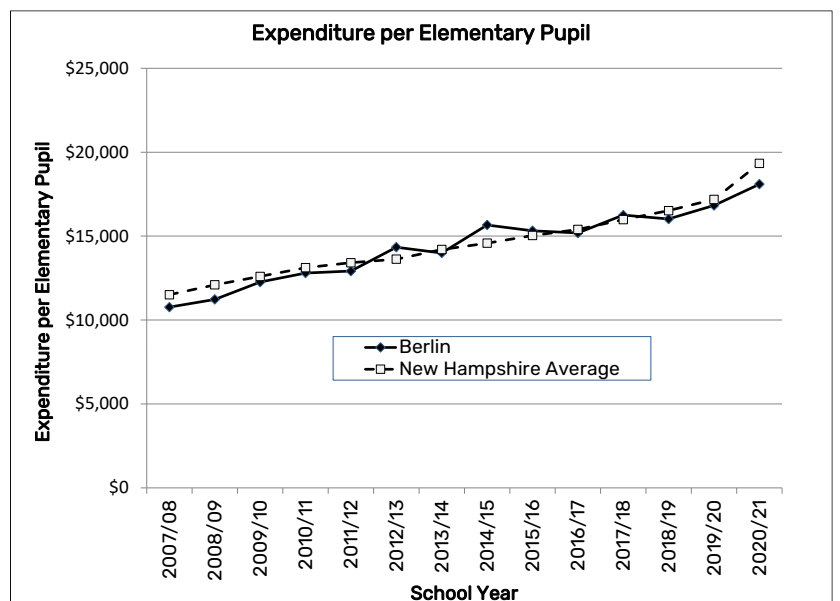


Figure 2



New Hampshire’s public school districts spent \$3.64 billion during the 2021-22 school year. Of that amount, 40 percent was dedicated to regular classroom instruction, 20 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	
	Berlin	NH Average
Regular Instruction	37%	40%
Special Programs	21%	19%
Vocational Programs	4%	1%
Other Instructional Programs	3%	1%
Student Support Services	9%	8%
Instructional Support Staff	1%	3%
Administration	8%	11%
Plant Operations	12%	9%
Pupil Transportation	2%	4%
Food Services	3%	2%
Bond & Note Interest	0%	1%
Other Expenses	0%	0%
Total Expenses	100%	100%

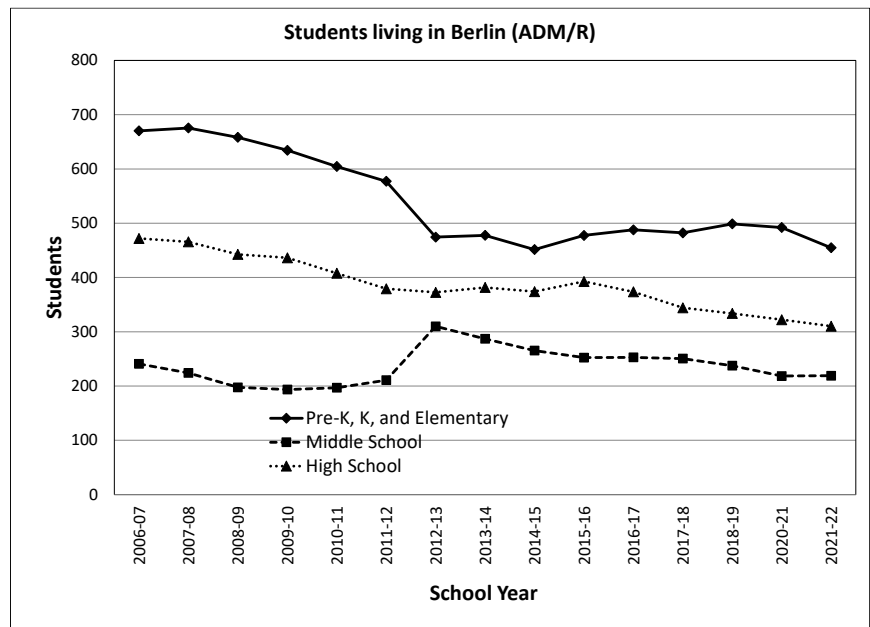
As shown in the table, the proportion of Berlin’s School District’s spending on regular instruction is less than the state average, and on vocational programs is higher than average. Berlin spent a higher percentage on plant operations than the state average.

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How Many Students Are Enrolled in Governor Wentworth Regional School District’s Schools?

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. ADM/R has been in slow decline in New Hampshire in recent years, attributable to declining birth rates. At Berlin schools, there has been a decrease of 28.8 percent since 2006-07. Figure 3 displays ADM/R trends for the past fifteen years in Berlin’s elementary, middle, and high schools. During this period, the number of elementary students decreased by 32.1 percent, middle school students decreased by 9.1 percent, and high school students decreased by 34.2 percent.

Figure 3



How Does Berlin Pay for Public Schools?

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

During the 2021-22 school year, Regional School District's total school revenue was \$24,699 per pupil, a bit more than the state average of \$21,462. Property taxes (local plus statewide) provided \$5,261,076 or 22% percent of the \$24,307,822 overall amount, much less than the state average. Berlin received \$12,266 state "adequacy" aid per pupil. The state average aid was \$3,905.

How Do Berlin'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, Berlin's equalized property tax rate for its schools was \$22.86 per \$1,000 of property value. This rate was 123% of the median town. In 2021, the equalized school property tax rate in Berlin was \$10.90 per \$1,000 of value (a \$9.49 local tax rate plus a \$1.41 state tax rate, which is retained locally).

Figure 4

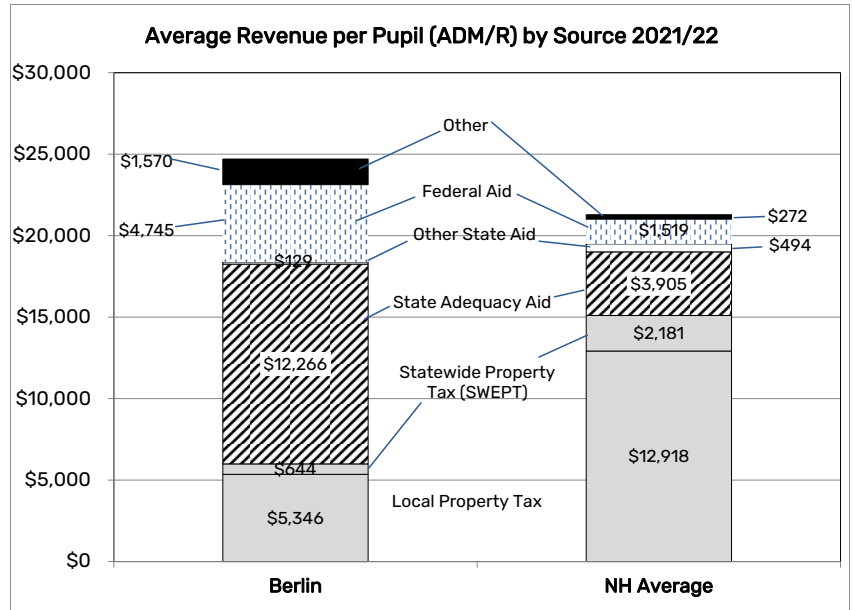
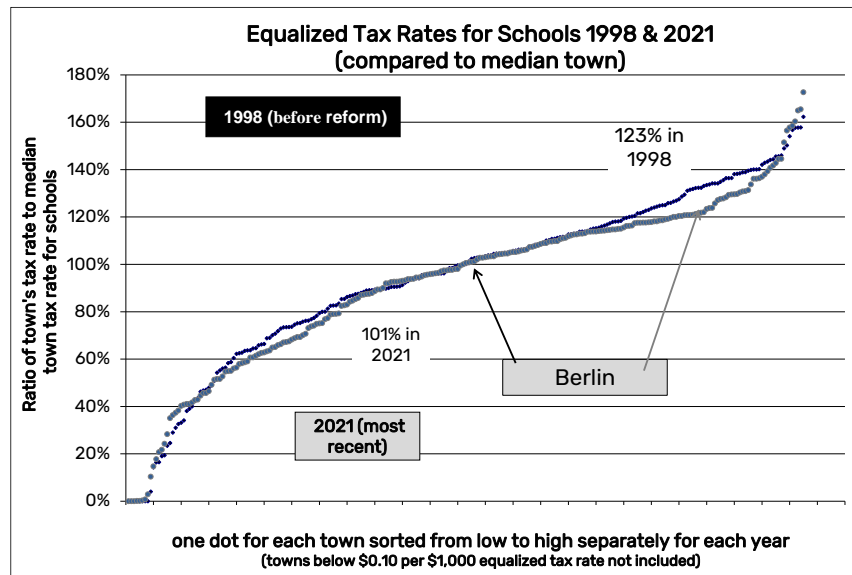


Figure 5



How Has Berlin'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 \$6.99 per thousand equalized valuations in Berlin. Also, in 1999 the state began the distribution of its new "adequacy aid" to each district. The result for Berlin was a sudden reduction in its equalized tax rate from \$22.86 per thousand in 1998 to \$15.29 in 1999. The 2021 equalized rate is \$10.90.

How Do Property Values in Berlin 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 2021, Berlin had \$768,328,755 of equalized property valuation and 984 students (as measured by average daily membership in residence or ADM-R). This means that Berlin's EQVP that year was \$780,708. The state average EQVP was \$1,599,979. Berlin had 48 percent of the state average. Pittsfield is an example of one of the few communities that had less property value per pupil than Berlin.

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

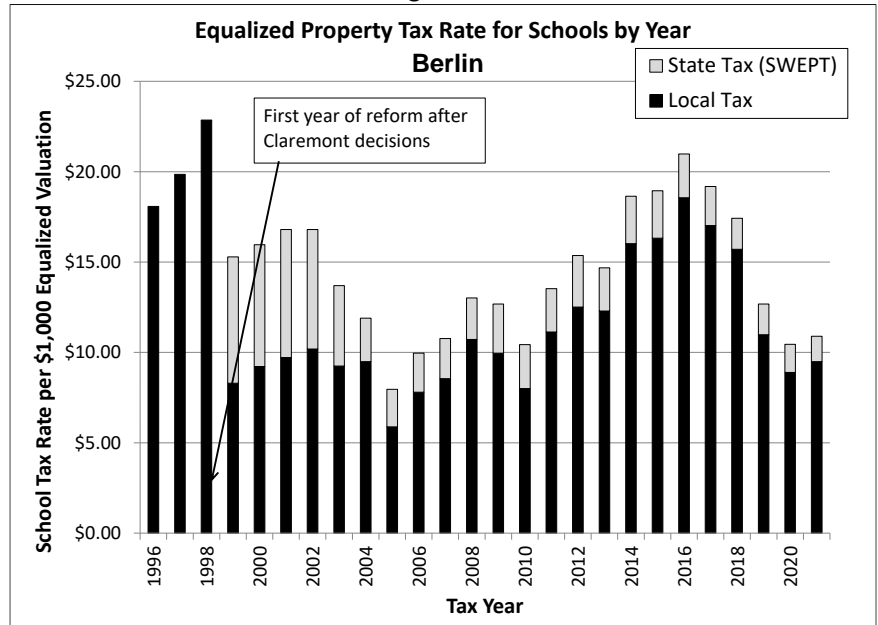
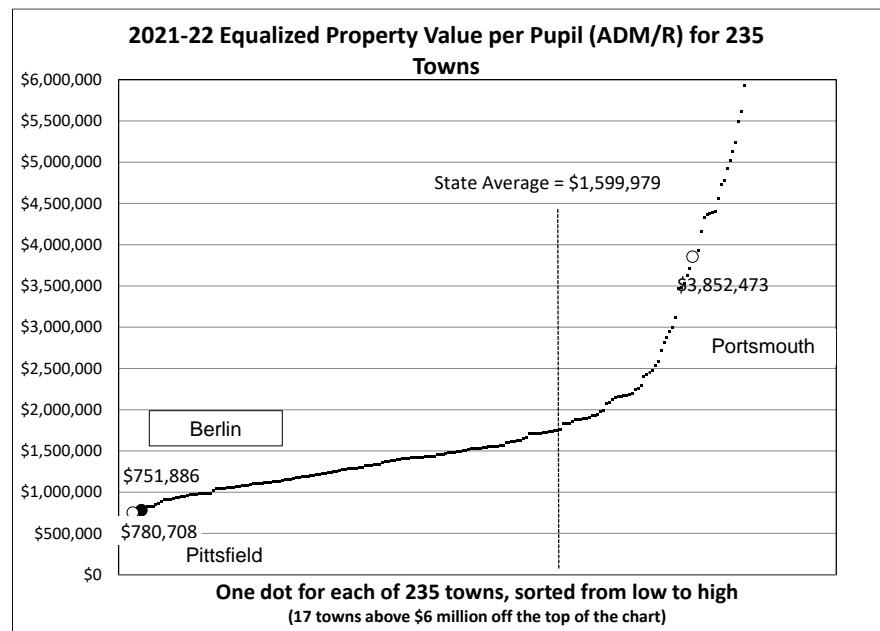


Figure 7



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.