

Answers to Key Questions about School Funding in Lisbon

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 Lisbon, 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 Lisbon 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, Lisbon spent \$5,822 per elementary school student or 98 percent of the typical (or median) town’s spending. In the school year 2021-22, Lisbon spent \$18,260 per elementary pupil, which was 83 percent of the NH Median.

Figure 1

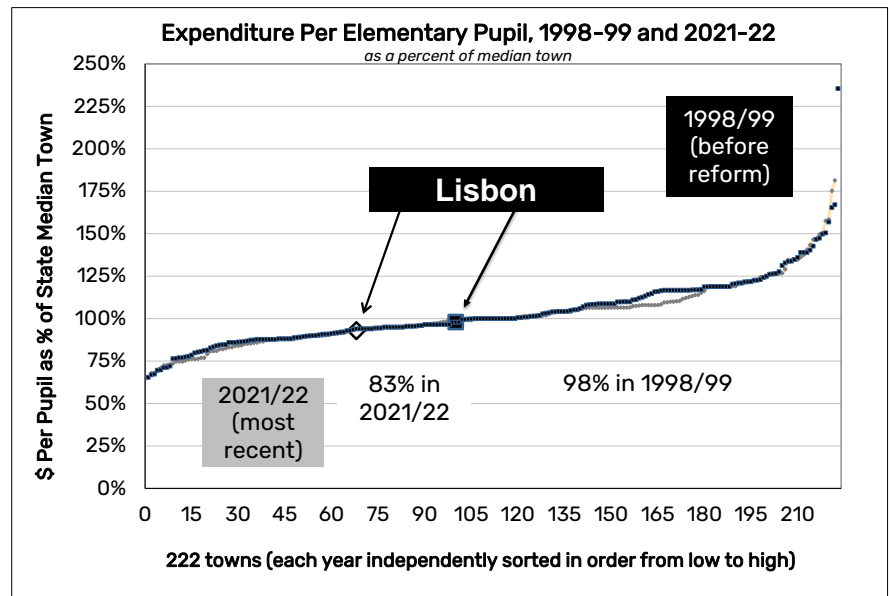
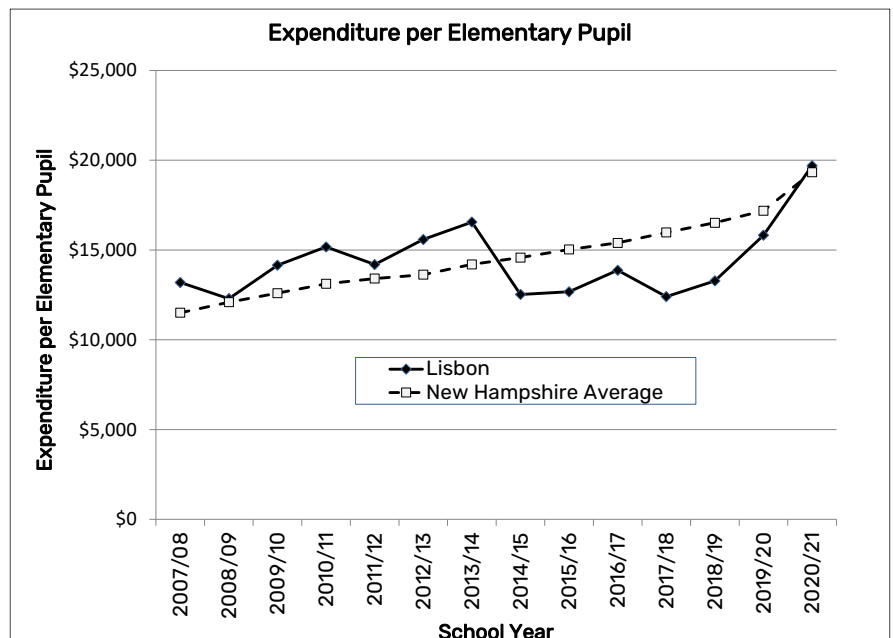


Figure 2 compares spending per elementary pupil in Lisbon and the state average for the past fifteen years. It shows that spending in Lisbon has fluctuated around the state average over the years.

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, 19 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.

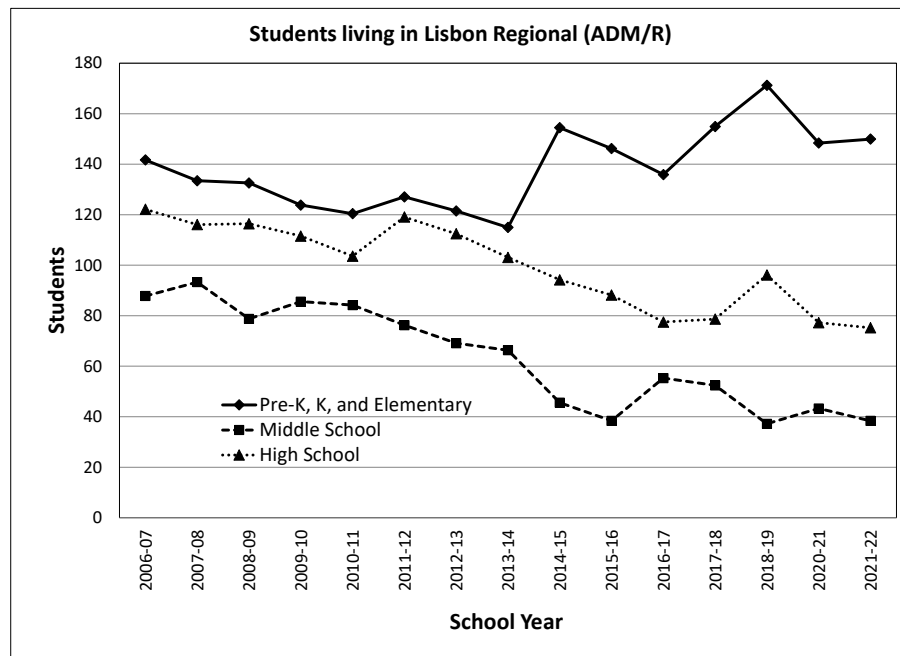
| Spending by Type | Percentage | |
|------------------------------|-------------|-------------|
| | Lisbon | NH Average |
| Regular Instruction | 45% | 40% |
| Special Programs | 17% | 19% |
| Vocational Programs | 4% | 1% |
| Other Instructional Programs | 1% | 1% |
| Student Support Services | 7% | 8% |
| Instructional Support Staff | 2% | 3% |
| Administration | 11% | 11% |
| Plant Operations | 8% | 9% |
| Pupil Transportation | 3% | 4% |
| Food Services | 2% | 2% |
| Bond & Note Interest | 0% | 1% |
| Other Expenses | 0% | 0% |
| Total Expenses | 100% | 100% |

As shown in the table, the proportion of Lisbon Regional School District’s spending on regular instruction is more than the state average, and for special education programs is a bit less than average. Lisbon also spends a higher percentage on vocational programs than the state average.

How Many Students Are Enrolled in Lisbon 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 Lisbon Regional schools, there has been a decrease of 25.1 percent from 2006-07. Figure 3 displays ADM/R trends for the past fifteen years in Lisbon’s elementary, middle, and high schools. During this period, the number of elementary students decreased by 5.8 percent, middle school students decreased by 56.3 percent, and high school students decreased by 38.4 percent.

Figure 3



How Does Lisbon Pay for Public Schools?

Figure 4 shows all the various revenue sources that Lisbon Regional uses to pay for its students’ education, measuring them on a per-pupil basis. It also compares Lisbon’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 2020-21 school year, Lisbon Regional School District's total school revenue was \$28,810 per pupil, a considerable bit more than the state average of \$21,462. Property taxes (local plus statewide) provided \$3,685,487 or 48% percent of the \$7,747,402 overall amount, much less than the state average. Lisbon Regional received \$9,564 state "adequacy" aid per pupil. The state average aid is \$3905.

How Do Lisbon'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, Lisbon's equalized property tax rate for its schools was \$27.21 per \$1,000 of property value. This rate was 146% of the median town. In 2021, the equalized school property tax rate in Lisbon was \$12.41 per \$1,000 of value (an \$11.23 local tax rate plus a \$1.18 state tax rate, which is retained locally).

Figure 4

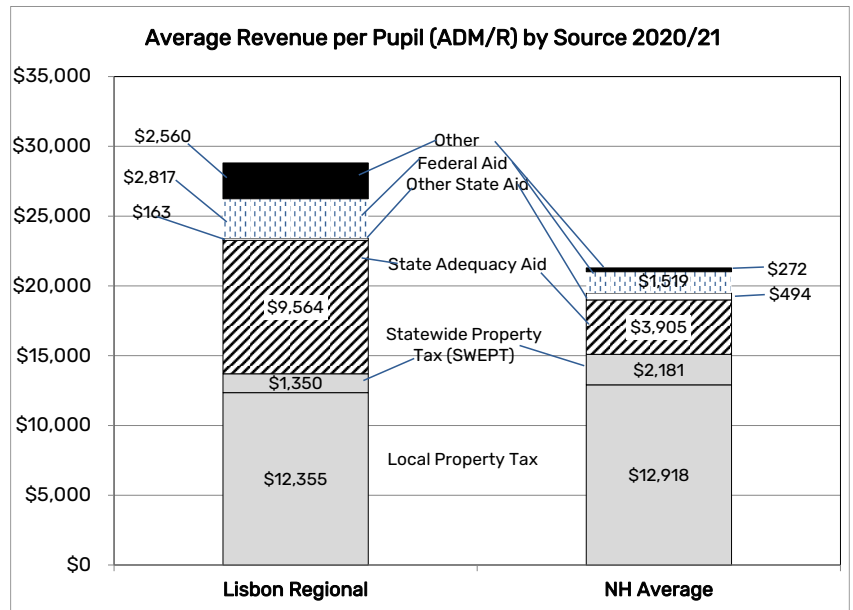
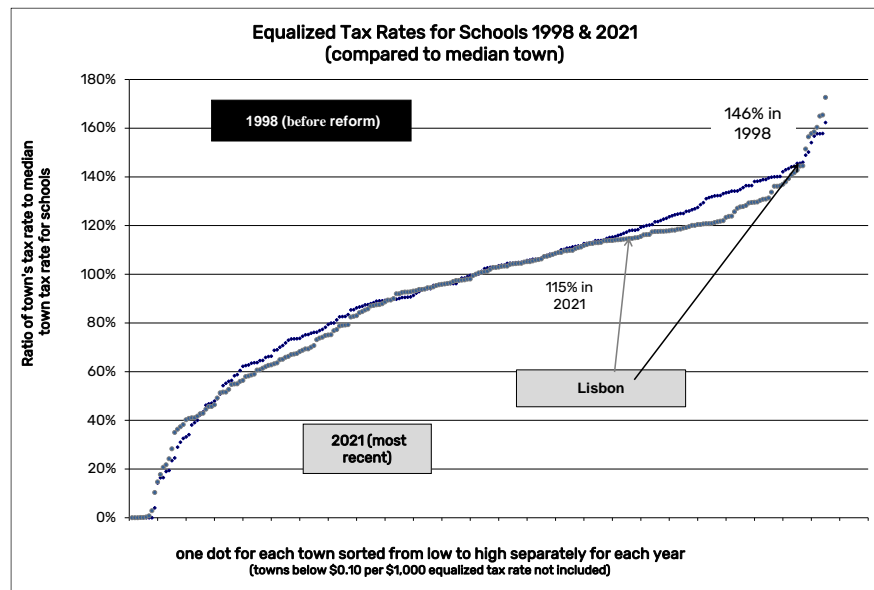


Figure 5



How Has Lisbon'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 \$6.49 per thousand equalized valuations in Lisbon. Also, in 1999 the state began the distribution of its new "adequacy aid" to each district. The result for Lisbon was a sudden reduction in its equalized tax rate from \$27.21 per thousand in 1998 to \$20.76 in 1999. The 2021 equalized rate is \$12.41.

How Do Property Values in Lisbon 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, Lisbon had \$187,932,903 of equalized property valuation and 217 students (as measured by average daily membership in residence or ADM-R). This means that Lisbon's EQVP that year was \$865,025. The state average EQVP was \$1,599,979. Lisbon had just 54 percent of the state average. Pittsfield is an example of one of the few communities that had less property value per pupil than Lisbon.

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

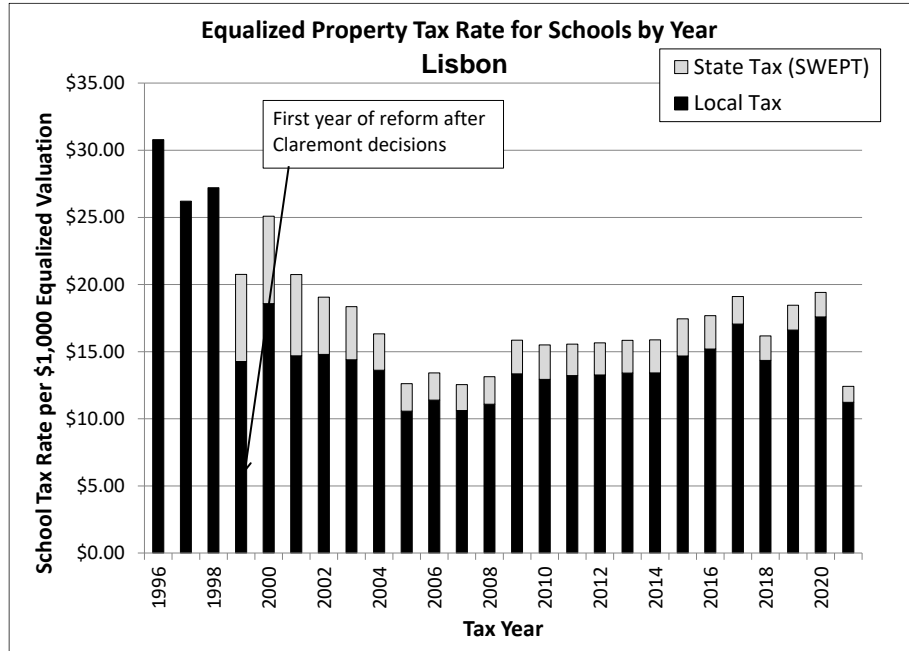
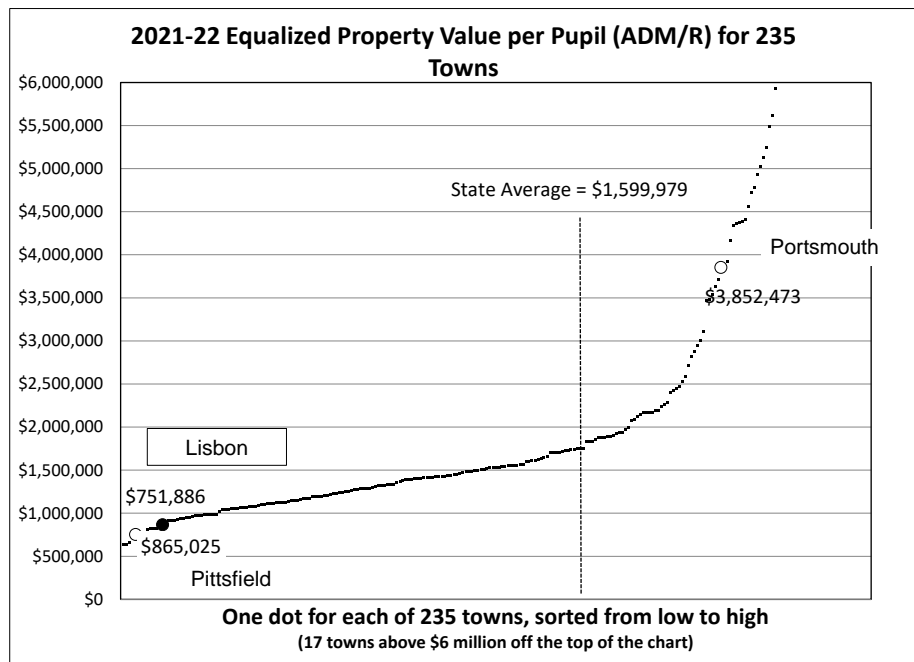


Figure 7



***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.*