

# Answers to Key Questions about School Funding in Hampstead

November 2023

New Hampshire’s public school system – and how money is raised to pay for it – touches the lives of all Granite Staters yet can often be challenging to understand. Below are a few questions you might have about how schools have been funded in Hampstead along with helpful facts and figures in response. After reading them, we hope you’ll better understand some inequities plaguing our school funding system.

## What Does Hampstead 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, Hampstead spent \$5,741 per elementary school student or 97 percent of the typical (or median) town’s spending. In the school year 2021-22, Hampstead spent \$23,144 per elementary pupil, which was 110 percent of the NH Median.

Figure 2 compares spending per elementary pupil in Hampstead and the state average for the past fifteen years. It shows that spending in Hampstead has remained above the state average and was \$3,084 per pupil above the state average in 2022.

Figure 1

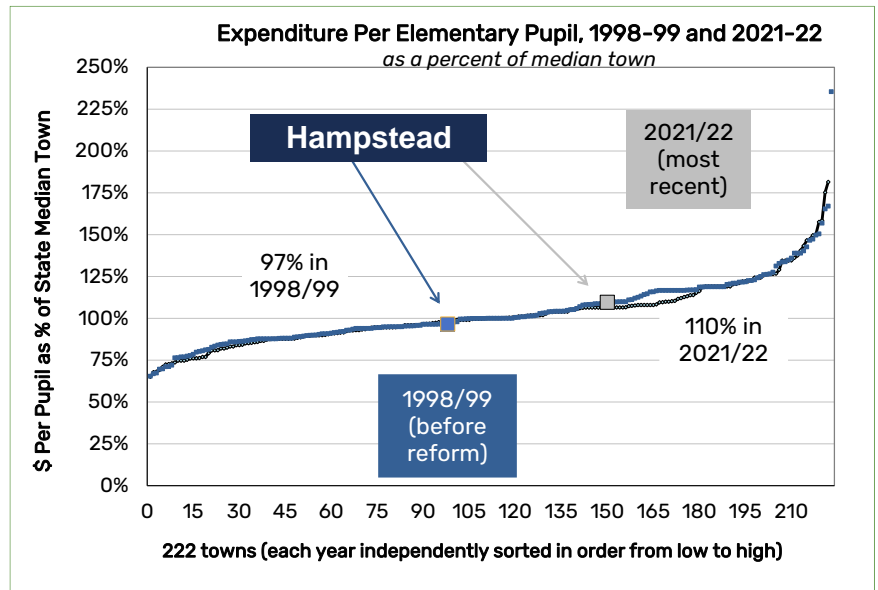
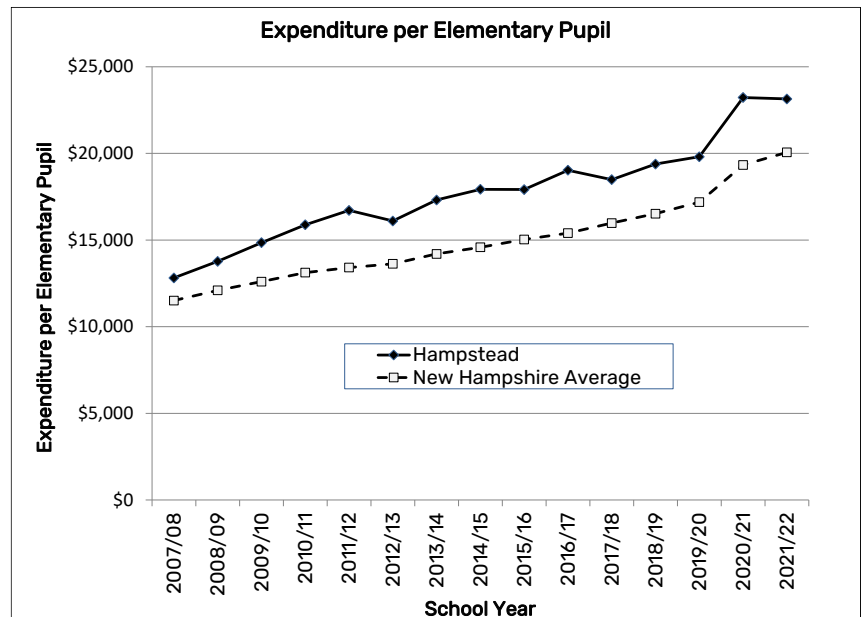


Figure 2



New Hampshire’s public school districts spent \$3.47 billion during the 2021-22 school year. Of that amount, 39 percent was dedicated to regular classroom instruction, 19 percent to special education, 10 percent to administration, 8 percent to building operations, and the remainder was devoted to transportation, food services, and other purposes.

As shown in the table, the proportion of Hampstead School District’s spending on regular instruction is more than the state average, as well as spending on Special Programs. Hampstead’s proportion of spending is lower than the state average for administrative costs and student support services.

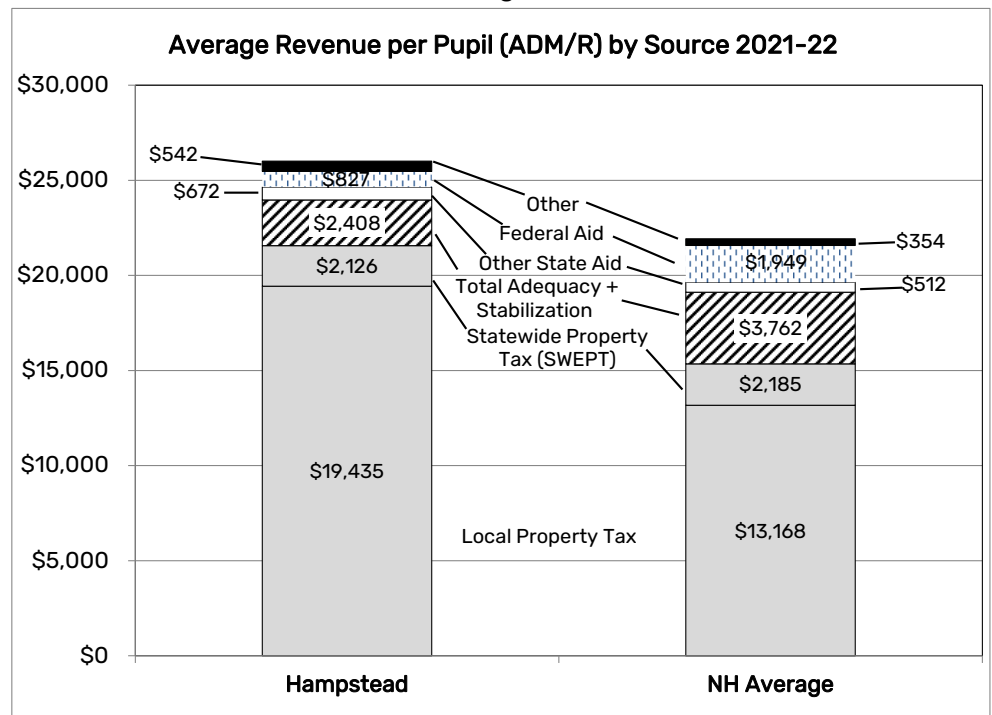
Spending by Type	Percentage	
	Hampstead	NH Average
Regular Instruction	49%	39%
Special Programs	24%	19%
Vocational Programs	0%	1%
Other Instructional Programs	0%	2%
Student Support Services	5%	8%
Instructional Support Staff	2%	4%
Administration	7%	10%
Plant Operations	6%	8%
Pupil Transportation	4%	5%
Food Services	1%	2%
Bond & Note Interest	0%	1%
Other Expenses	0%	0%
<b>Total Expenses</b>	<b>100%</b>	<b>100%</b>

### How Does Hampstead Pay for Public Schools?

Figure 3 shows all the various revenue sources that Hampstead uses to pay for its students’ education, measuring them on a per-pupil basis. It also compares Hampstead’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, Hampstead School District’s total school revenue was \$26,010 per pupil, a bit more than the state average of \$22,066. Property taxes (local plus statewide) provided \$21,561 per pupil or 83% percent of the overall amount, much more than the state average of 70%. Hampstead received \$2,408 in total state “adequacy grant” per pupil. The state average aid was \$3,762.

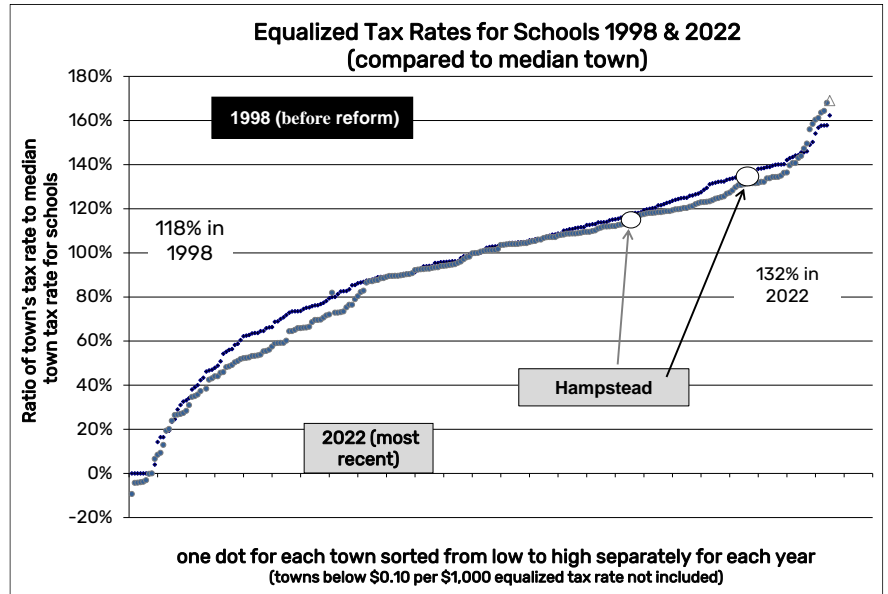
Figure 3



## How Do Hampstead’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, Hampstead’s equalized property tax rate for its schools was \$22.06 per \$1,000 of property value. This rate was 118% of the median town. In 2022, the equalized school property tax rate in Hampstead was \$12.35 per \$1,000 of value (a \$11.45 local tax rate plus a \$0.93 state tax rate, which is retained locally). This was 132% of the median town.

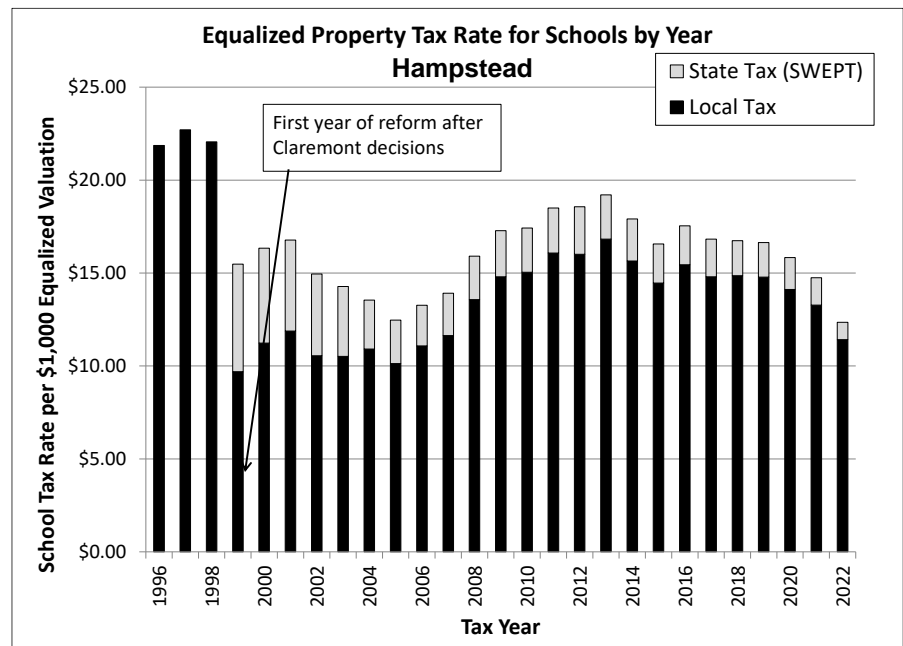
Figure 4



## How Has Hampstead’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 \$5.79 per thousand equalized valuations in Hampstead. Also, in 1999 the state began the distribution of its new “adequacy aid” to each district. The result for Hampstead was a sudden reduction in its equalized tax rate from \$22.06 per thousand in 1998 to \$15.48 in 1999. The 2022 equalized rate was \$12.35.

Figure 5



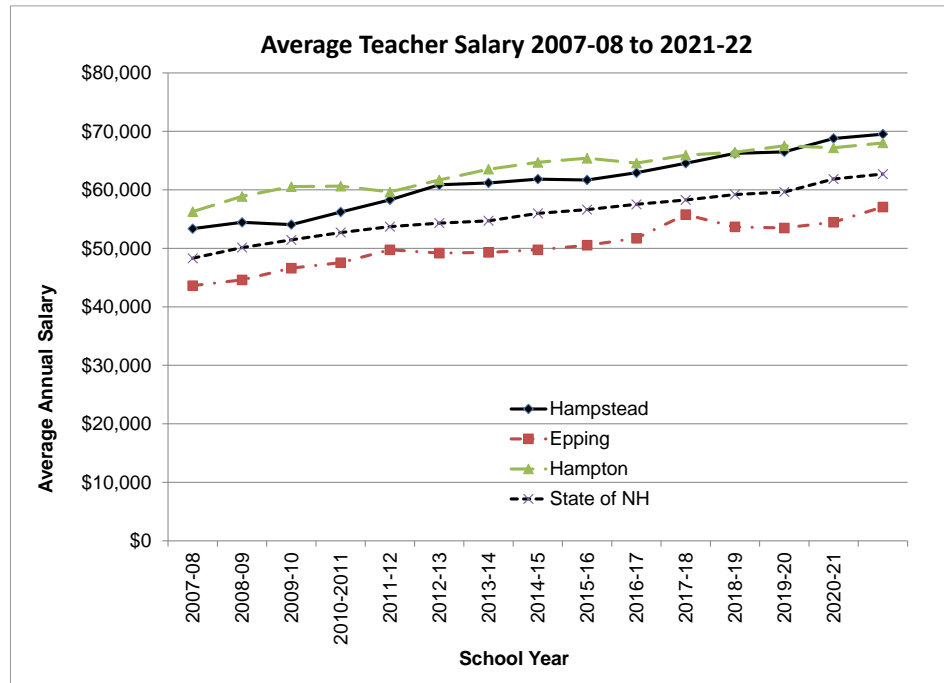
## How Much Do Teachers Earn in Hampstead?

In 2007-08 there were 88 teachers in Hampstead. In 2021-22 there were 73 teachers.

In 2021-22 the average teacher salary in Hampstead was \$69,526. This was 10% more than the state average of \$62,695. Since 2008, Hampstead's average teacher salary has remained above the state average and below Hampton's.

Hampstead's average teacher salary increased by 30% from 2007-08 to 2021-22. At the same time, the Consumer Price Index increased by 36%. During the same period, the average salary in Portsmouth increased by 58%.

Figure 6

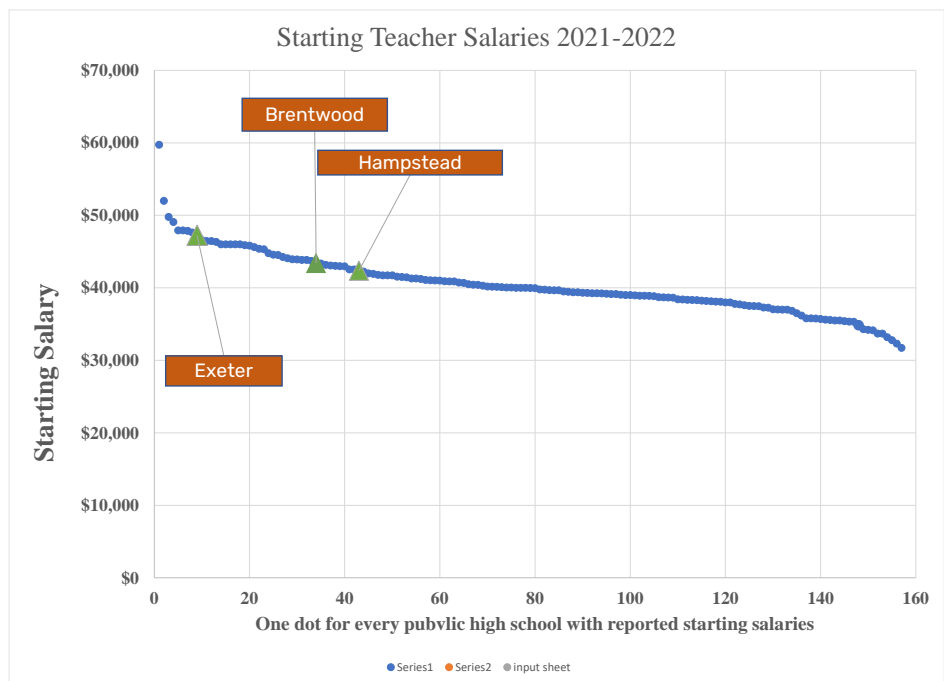


Average teacher salary is affected by two things: the actual salary schedule of a district and the number of years of teaching experience among the teachers. Teacher salary schedules generally increase salaries as teachers gain experience through years on the job. It is therefore possible for two districts that have identical salary schedules to have different average salaries. The salary of a newly recruited teacher depends on the district's salary schedule, not on the average teacher's salary.

On the other hand, starting salaries show us what a recent college graduate (bachelor's degree) could earn as a first-time teacher in a district. This is important for hiring and retaining quality teachers over the long term. The starting salaries for teachers with a bachelor's degree in New Hampshire ranged from \$31,712 to \$59,752 in the 2021-22 school year.

Hampstead School District had a starting salary for its teachers of \$42,358 for the 2021-22 school year.

Figure 7



Hampstead’s starting salary for teachers was 4% higher than the state average of \$40,479 in 2021. Figure 7 shows Hampstead, Brentwood, and Exeter starting salaries in comparison to all others in the state. As seen, Hampstead has lower salaries than surrounding communities.

### What Does Hampstead Spend on Special Education?

Under federal and state law students with physical, mental, or learning disabilities require special additional services to support their learning. An Individual Education Program (IEP) is created for each student. The cost of these services is tracked within the overall spending of each district.

As shown in this table, in 2021-22 Hampstead spent \$3,964,948.62 for these additional services.

Function	Amount
Instruction	\$3,755,433.41
Instruction Related	\$83,091.02
Administration	\$0.00
Legal	\$0.00
Transportation	\$126,424
<b>TOTAL</b>	<b>\$3,964,948.62</b>

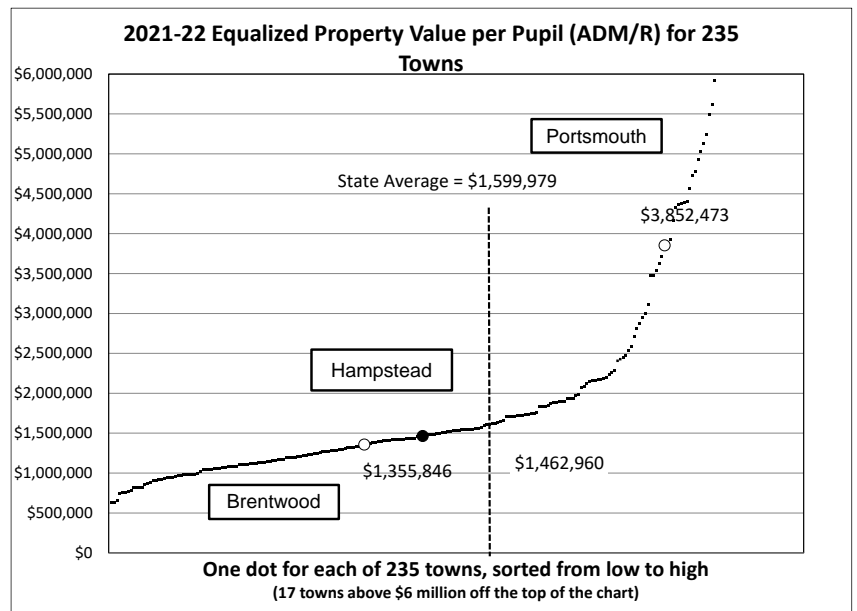
During that year, Hampstead had 238 students with IEPs. On average, this was an additional \$16,659 for each student. In the state overall there were 30,393 such students; the total cost was \$842,738,008, and the average cost per student with an IEP was \$27,728. The average cost for extra services for each student with an IEP in Hampstead was much less than the average throughout the state.

### How Do Property Values in Hampstead 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, Hampstead had \$1,728,882,958 of equalized property valuation and 1,182 students (as measured by average daily membership in residence or ADM-R). This means that Hampstead’s EQVP that year was \$1,462,960. The state average EQVP was \$1,599,979. Hampstead had 91% percent of the state average.

Figure 8



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

## Students and Student Characteristics

Hampstead Schools have grades from pre-school through the 8<sup>th</sup> grade. After 8<sup>th</sup> grade, Hampstead students attend Pinkerton Academy. Table 1 shows enrollment in the October 2022- 2023 school year by grade, including postgraduate students, of which Hampstead had none.

**Table 1**

Hampstead Schools	Pre	K	1	2	3	4	5	6	7	8	Totals
Hampstead Central School	35	84	95	79	87	70	0	0	0	0	450
Hampstead Middle School	0	0	0	0	0	0	103	85	82	107	377

**Table 2**

District	American Indian or Alaskan	Asian or Pacific Islander	Hispanic	Black Non-Hispanic	White Non-Hispanic	Multi-Race	Total
Number of Students							
Hampstead	5	5	40	4	734	14	802
State Total	360	5,271	13,557	3,494	138,647	5,949	167,278
Percent of Students							
Hampstead	0.62%	0.62%	4.98%	0.49%	92%	1.74%	100%
State Total	0.20%	3.20%	8.10%	2.10%	82.90%	3.60%	100%

displays racial enrollments for all students in Hampstead Schools as of October 1, 2022.

White non-Hispanic students constituted 92%, a bit more than the average. Hampstead's population has similar diversity to most NH schools. Even a bit less diverse than most.

In the 2021-22 school year, there were 802 public school students who attended Hampstead Schools. Of these, 86 (10%) were eligible for free/reduced-price school meals, meaning their family's income was below 185% of the Federal Poverty Line. The state average was 23%, much more than Hampstead.

Also in the 2021-22 school year, 238 students were receiving special education services with an Individual Education Program (IEP). This was 29% of the students, more than the statewide average of 19%.

7 students (.98%) were not native English speakers in 2022-23.

*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.*