

Answers to Key Questions about School Funding in Manchester

January 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 Manchester 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 Manchester 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, Manchester spent \$4,668 per elementary school student or 79 percent of the typical (or median) town’s spending. In the school year 2021-22, Manchester spent \$15,476 per elementary pupil, which was 71 percent of the NH Median.

Figure 2 compares spending per elementary pupil in Manchester and the state average for the past fifteen years. It shows that spending in Manchester has always been below the state average and is now \$4,600 per pupil below the state average.

Figure 1

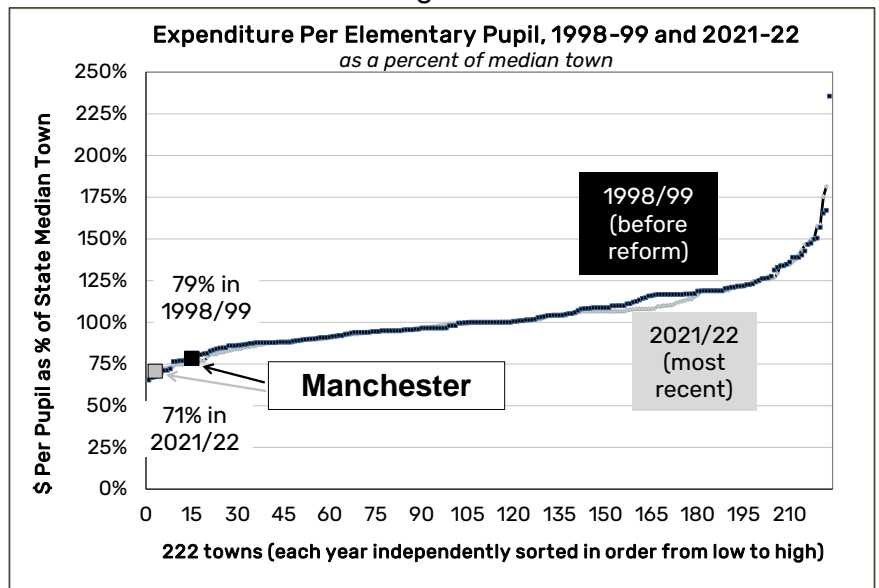
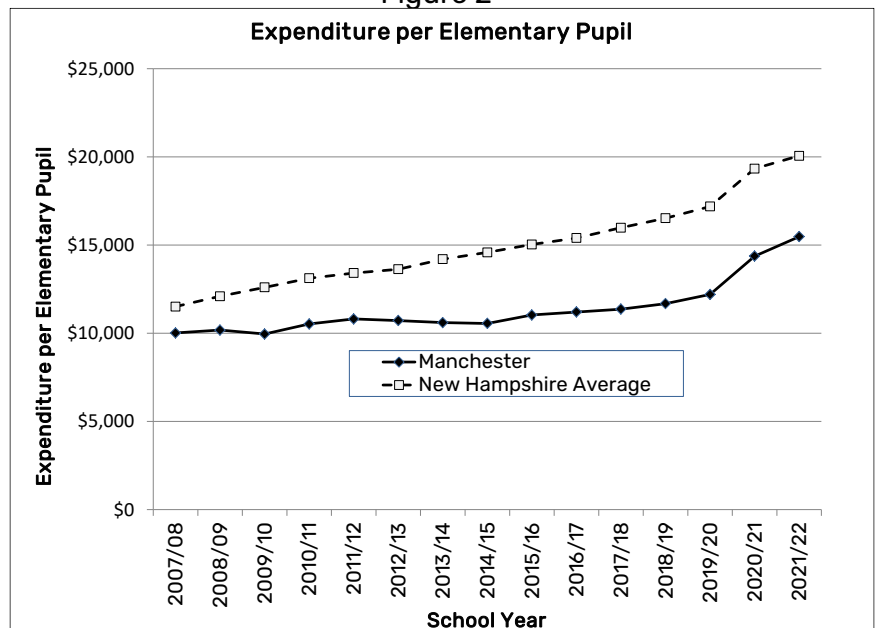


Figure 2



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 Manchester School District’s spending on regular instruction less than the state average and spending on special programs is higher. Otherwise Manchester’s proportion of spending is quite close to the state average

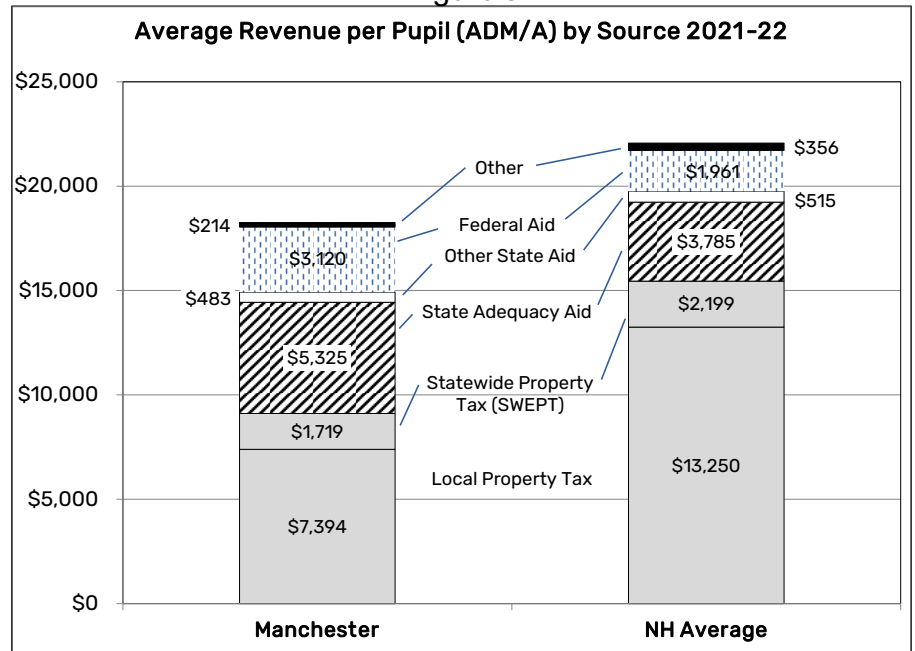
Spending by Type	Percentage	
	Manchester	NH Average
Regular Instruction	36%	39%
Special Programs	24%	19%
Vocational Programs	2%	1%
Other Instructional Programs	2%	2%
Student Support Services	7%	8%
Instructional Support Staff	3%	4%
Administration	10%	10%
Plant Operations	6%	8%
Pupil Transportation	6%	5%
Food Services	3%	2%
Bond & Note Interest	1%	1%
Other Expenses	1%	0%
Total Expenses	100%	100%

How Does Manchester Pay for Public Schools?

Figure 3 shows all the various revenue sources that Manchester uses to pay for its students’ education, measuring them on a per-pupil basis. It also compares Manchester’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, Manchester School District’s total school revenue was \$18,255 per pupil, considerably less than the state average of \$22,066. Property taxes (local plus statewide) provided \$9,113 per pupil or 50% percent of the overall amount, much less than the state average of 70%. Manchester received \$5,325 state “adequacy” aid per pupil. The state average aid was only \$3,762.

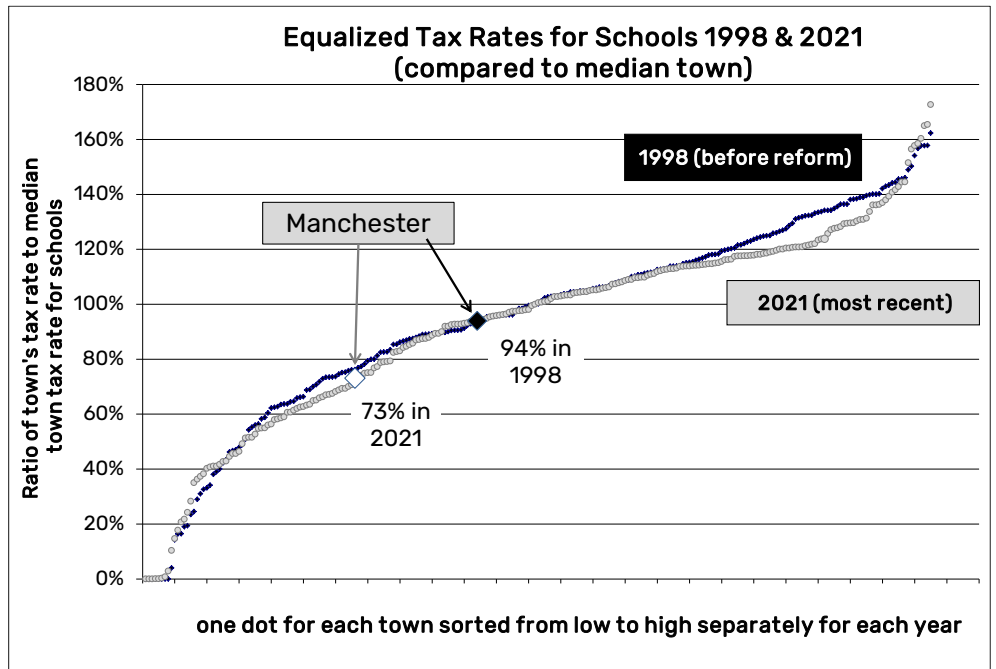
Figure 3



How Do Manchester'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, Manchester's equalized property tax rate for its schools was \$17.51 per \$1,000 of property value. This rate was 94% of the median town. In 2021, the equalized school property tax rate in Manchester was \$7.91 per \$1,000 of value (a \$6.38 local tax rate plus a \$1.53 state tax rate, which is retained locally). This was only 73% of the median town.

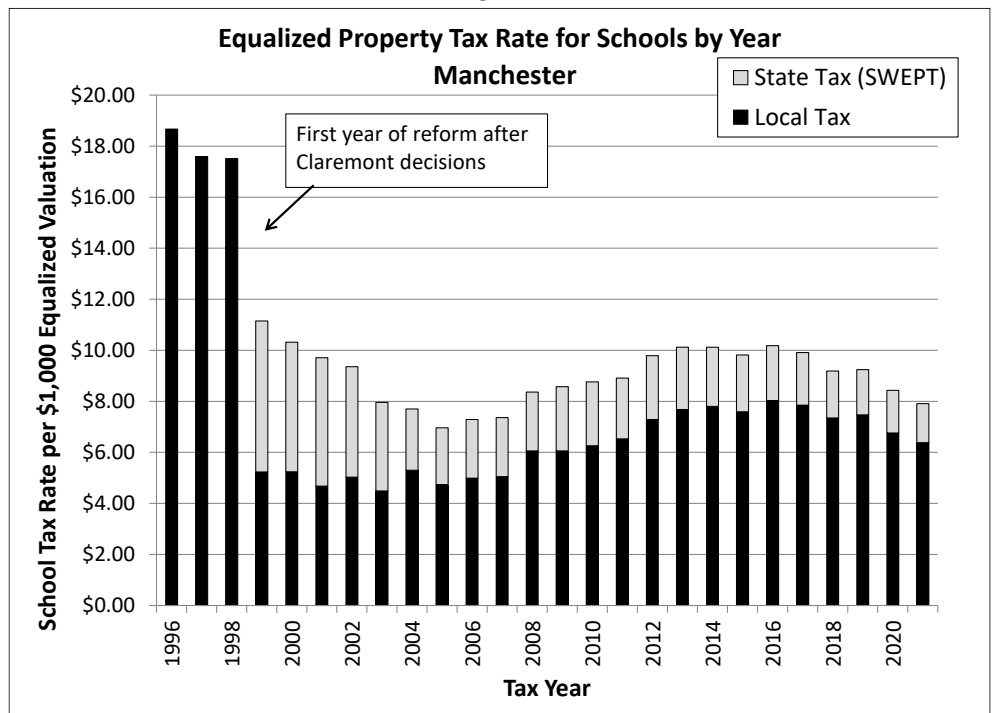
Figure 4



How Has Manchester'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 \$5.92 per thousand equalized valuation in Manchester. Also, in 1999 the state began the distribution of its new "adequacy aid" to each district. The result for Manchester was a sudden reduction in its equalized tax rate from \$17.51 per thousand in 1998 to \$11.15 in 1999. The 2021 equalized rate is \$7.91, less than half what it was in 1998.

Figure 5



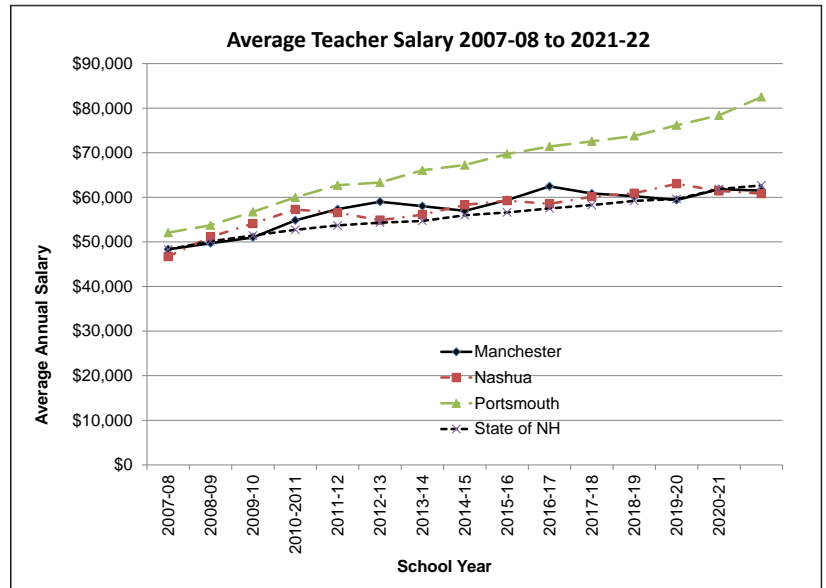
How Much Do Teachers Earn in Manchester?

In 2007-08 there were 1,135 teachers in Manchester. In 2021-22 there were 1,008 teachers.

In 2021-22 the average teacher salary in Manchester was \$61,513. This was 2% less than the state average of \$62,695. Since 2008, Manchester's average teacher salary has been very close to the state average and that of Nashua.

Manchester's average teacher salary increased by 27% 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 has increased 58%.

Figure 6

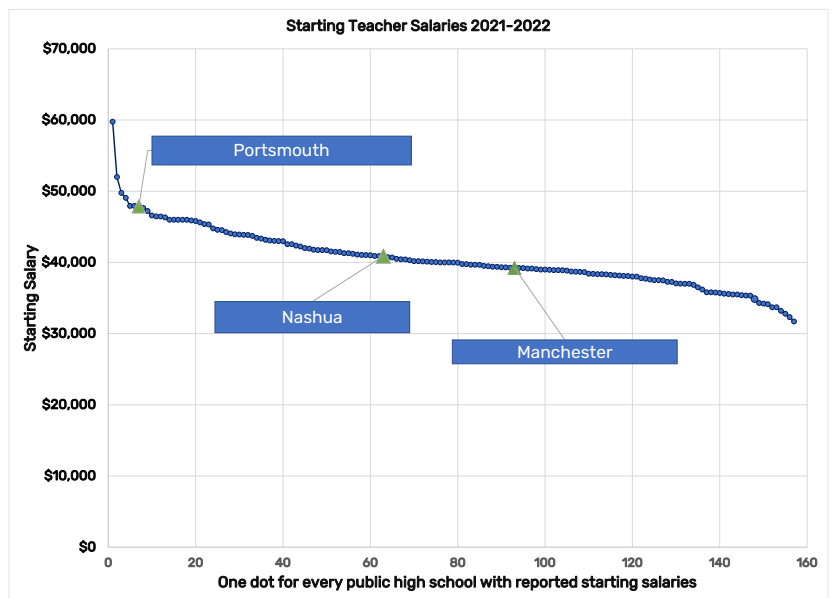


Average teacher salary is affected by two things: the actual salary schedule of a district and the number of years of teaching experience among the teachers. Teacher salary schedules generally increase salaries as teachers gain experience through years on the job. It is therefore possible for two districts 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.

Manchester School District has a starting salary for its teachers of \$39,250 for the 2021-22 school year. Manchester's starting salary for teachers was 3% lower than the state average of \$40,479 in 2021. Figure 7 shows Manchester, Nashua, and Portsmouth starting salaries in comparison to all others in the state. As seen, Manchester falls behind Portsmouth and Nashua.

Figure 7



What Does Manchester 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 Plan (IEP) is created for each student. The cost of these services are tracked within the overall spending of each district.

As shown in this table, in 2021-22 Manchester spent \$842,738,008 for these additional services.

Function	Amount
Instruction	\$37,109,171
Instruction Related	\$7,269,248
Administration	\$564,970
Legal	\$34,217
Transportation	\$9,357,149
TOTAL	\$54,334,755

During that year, Manchester had 2,490 students with IEPs. On average this is an additional cost of \$21,821 for each such student. In the state overall there were 30,393 such students and the total cost was \$842,738,008 and the cost per student with an IEP was \$27,728. The average cost for extra services for each student with an IEP in Manchester was only 78.7% the average throughout the state.

How Do Property Values in Manchester 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, Manchester had \$14,044,461,160 of equalized property valuation and 13,040 students (as measured by average daily membership in residence or ADM-R). This means that Manchester's EQVP that year was \$1,077,057. The state average EQVP was \$1,599,979. Manchester had 67 percent of the state average.

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.

Figure 8

