

# Answers to Key Questions about School Funding in New Castle

February 2024

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 challenging to understand. Listed below are a few questions you might have about how schools are funded in New Castle 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 New Castle 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, New Castle spent \$6,599 per elementary school student or 111 percent of the typical (or median) town’s spending. In the school year 2022-23, New Castle spent \$41,754 per elementary pupil, which was 184 percent of the NH Median and the highest in the state.

Figure 1

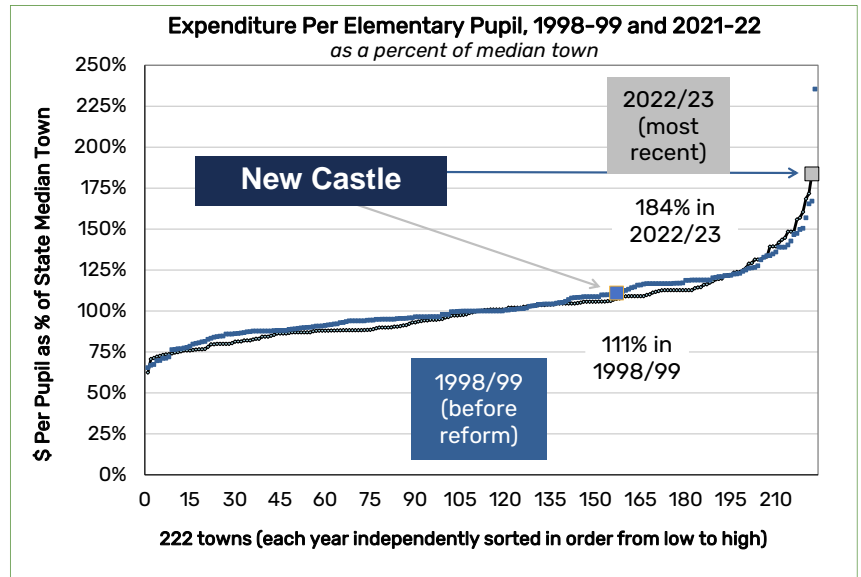
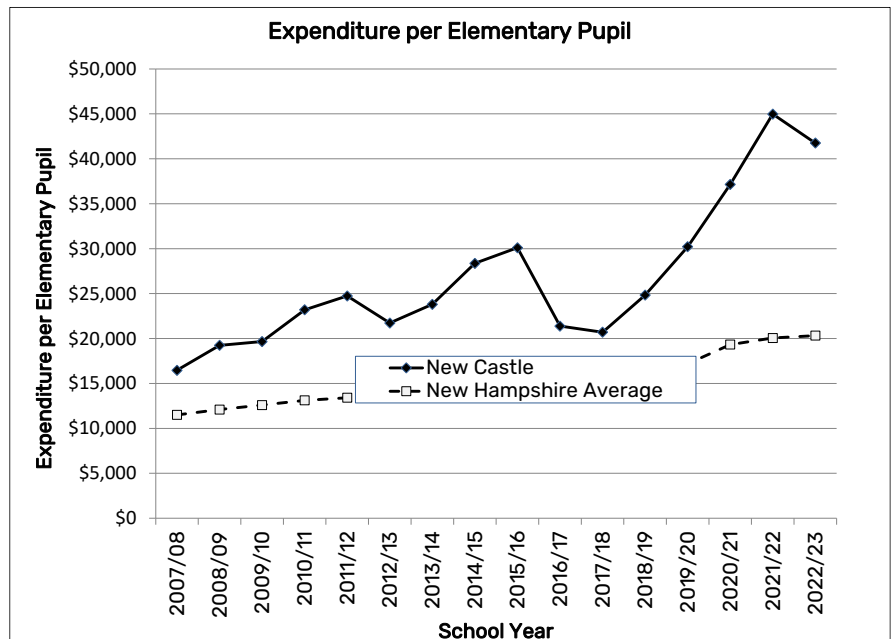


Figure 2 compares spending per elementary pupil in New Castle and the state average for the past fifteen years. It shows that spending in New Castle has remained above the state average and was \$21,431.28 per pupil above the state average in 2023.

Figure 2



New Hampshire’s public school districts spent \$3.80 billion during the 2022-23 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 New Castle School District’s spending on regular instruction and administration is much more than the state average, while spending on support staff and special programs is lower.

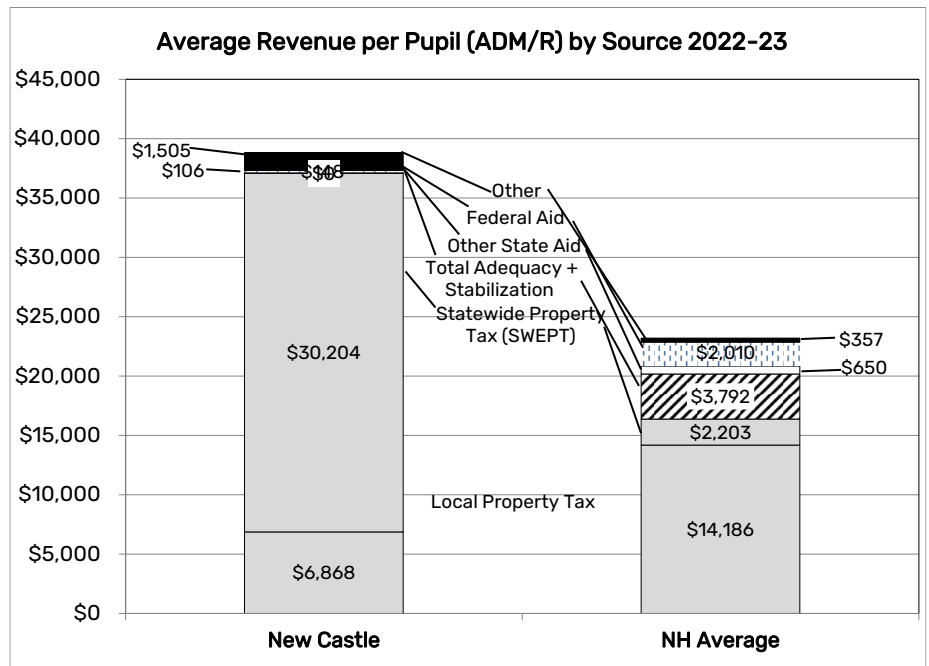
Spending by Type	Percentage	
	New Castle	NH Average
Regular Instruction	56%	39%
Special Programs	7%	19%
Vocational Programs	0%	1%
Other Instructional Programs	1%	2%
Student Support Services	4%	8%
Instructional Support Staff	3%	4%
Administration	21%	11%
Plant Operations	5%	9%
Pupil Transportation	2%	5%
Food Services	0%	1%
Bond & Note Interest	0%	1%
Other Expenses	0%	0%
<b>Total Expenses</b>	<b>100%</b>	<b>100%</b>

### How Does New Castle Pay for Public Schools?

Figure 3 shows all the various revenue sources that New Castle uses to pay for its students’ education, measuring them on a per-pupil basis. It also compares New Castle’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 2022-23 school year, New Castle School District’s total school revenue was \$38,830 per pupil, much more than the state average of \$23,198. Property taxes (local plus statewide) provided \$37,072 per pupil or 95 percent of the overall amount, much more than the state average of 71%. New Castle received \$0 in total state “adequacy grant” per pupil. This includes Stabilization aid, of which New Castle received none. The state average aid was only \$3,792.

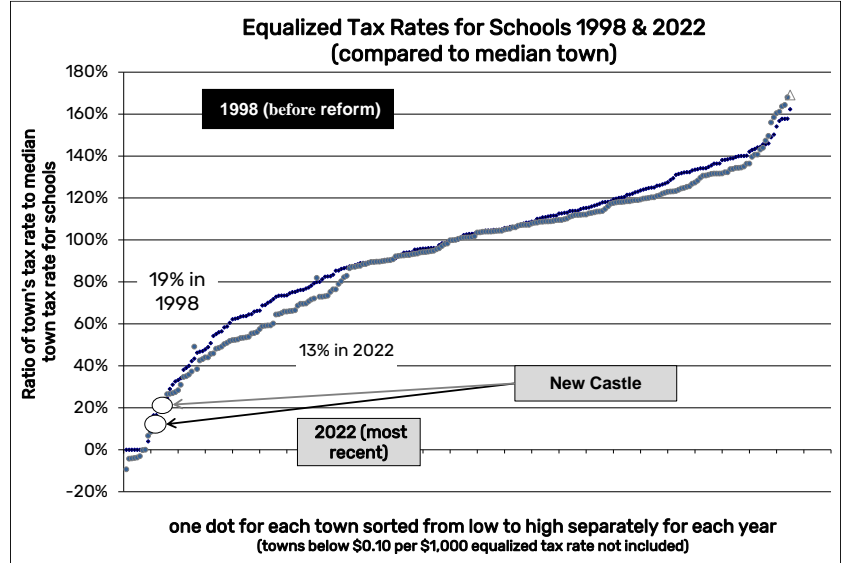
Figure 3



## How Do New Castle’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, New Castle’s equalized property tax rate for its schools was \$3.54 per \$1,000 of property value. This rate was 19% of the median town. In 2022, the equalized school property tax rate in New Castle was \$1.21 per \$1,000 of value (a \$0.27 local tax rate plus a \$0.94 state tax rate, which is retained locally). This was 13% of the median town.

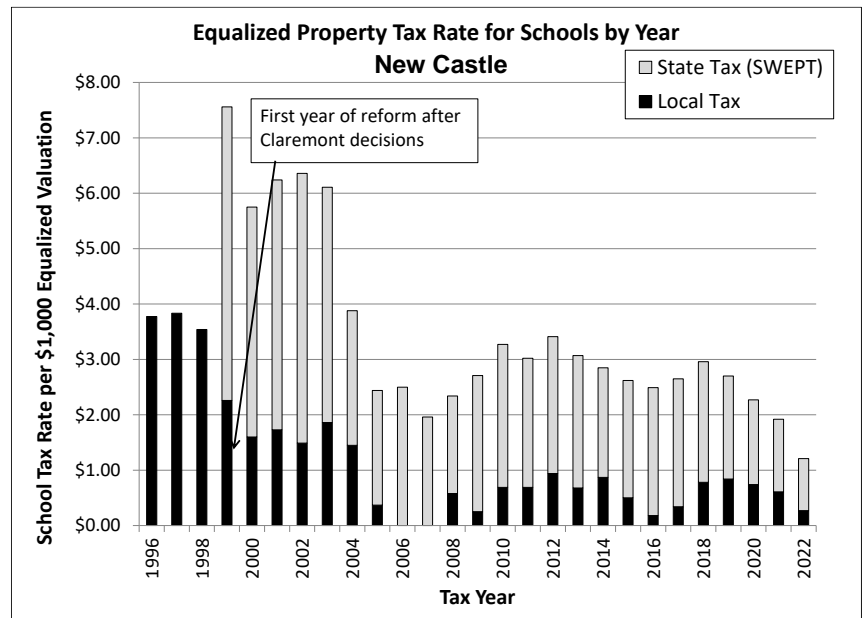
Figure 4



## How Has New Castle’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 \$5.30 per thousand equalized valuations in New Castle. Also, in 1999 the state began the distribution of its new “adequacy aid” to each district. The result for New Castle was an increase in its equalized tax rate from \$3.54 per thousand in 1998 to \$7.56 in 1999. The 2022 equalized rate was \$1.21.

Figure 5



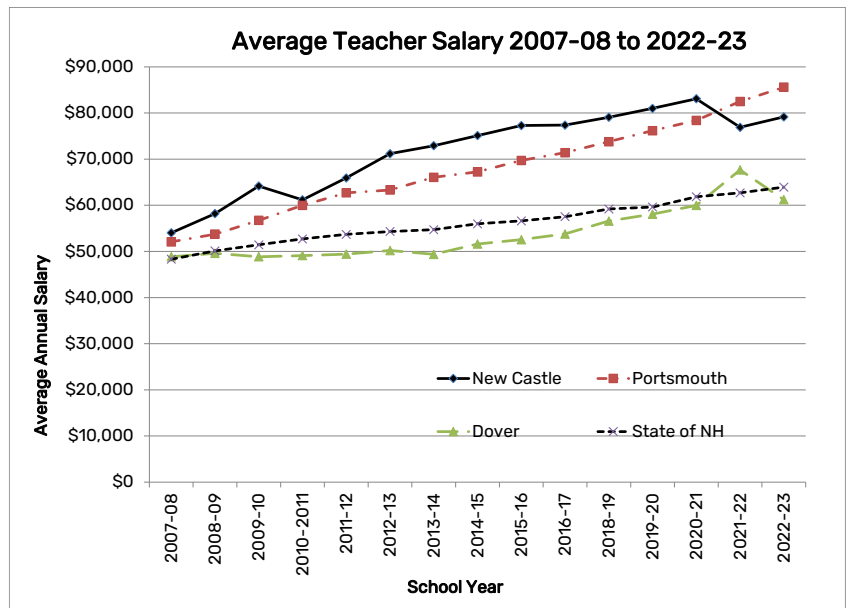
## How Much Do Teachers Earn in New Castle?

In 2007-08 there were 8 teachers in New Castle. In 2022-23 there were 4 teachers.

In 2022-23 the average teacher salary in New Castle was \$79,161. This was 23% more than the state average of \$62,695. Since 2008, New Castle's average teacher salary has remained above the state average and below Portsmouth since 2021.

New Castle's average teacher salary increased by 36% from 2007-08 to 2022-23. At the same time, the Consumer Price Index increased by 36%. During the same period, the average salary in Portsmouth increased by 59%.

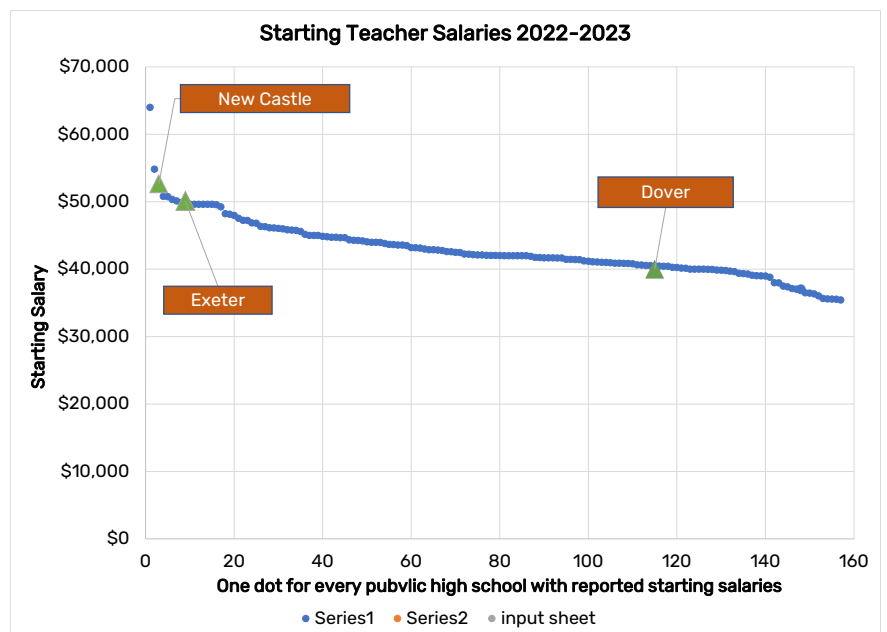
Figure 6



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 \$64,007 in the 2022-23 school year.

Figure 7



New Castle School District had a starting salary for its teachers of \$52,650 for the 2021-22 school year.

New Castle's starting salary for teachers was 23% higher than the state average of \$40,479 in 2021. Figure 7 shows New Castle, Exeter, and Dover starting salaries in comparison to all others in the state. As seen, New Castle is ahead Exeter and Dover.

### What Does New Castle 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 is tracked within the overall spending of each district.

As shown in this table, in 2021-22 New Castle spent \$183,350.01 for these additional services.

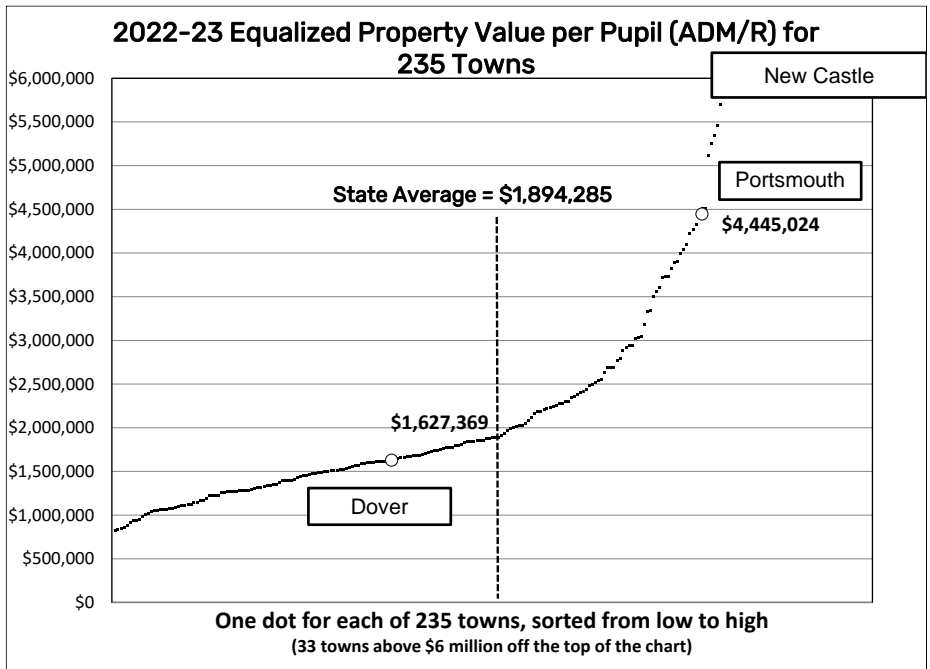
Function	Amount
Instruction	\$83,033.94
Instruction Related	\$68,028.48
Administration	\$0.00
Legal	\$32,011.51
Transportation	\$276.08
<b>TOTAL</b>	<b>\$183,350.01</b>

During that year, New Castle had 4 students with IEPs. On average, this was an additional \$45,837.50 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 New Castle was more than the average throughout the state.

### How Do Property Values in New Castle 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.

Figure 8



In 2022, New Castle had \$1,212,374,324 of equalized property valuation and 48 students (as measured by average daily membership in residence or ADM-R). This means that New Castle's EQVP that year was \$25,055,786. The state average EQVP was \$1,894,285. New Castle had 1,322 percent of the state average. New Castle's EQVP was above Dover and Portsmouth and was too high for our graph.

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.*