

Answers to Key Questions about School Funding in Madison

March 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 Madison 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 Madison 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, Madison spent \$6,177 per elementary school student or 104 percent of the typical (or median) town’s spending. In the school year 2022-23, Madison spent \$31,696 per elementary pupil, which was 139 percent of the NH Median.

Figure 1

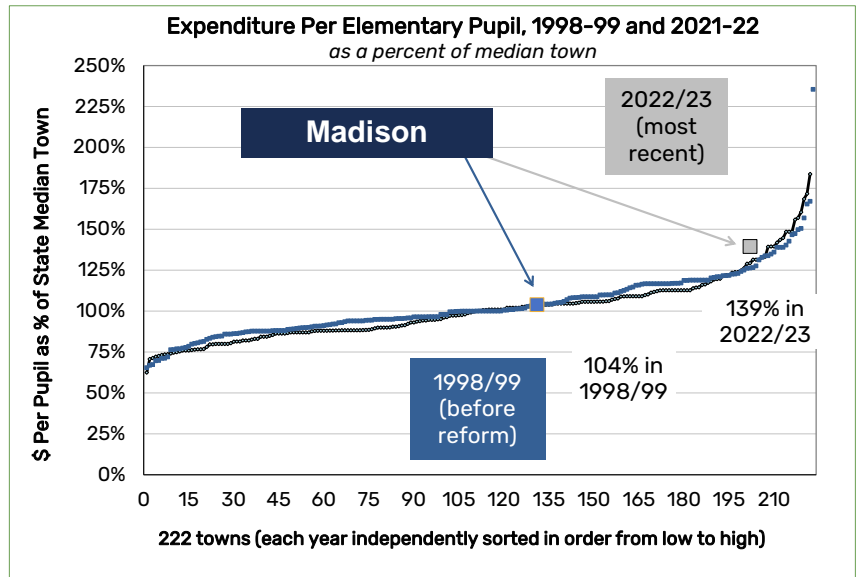
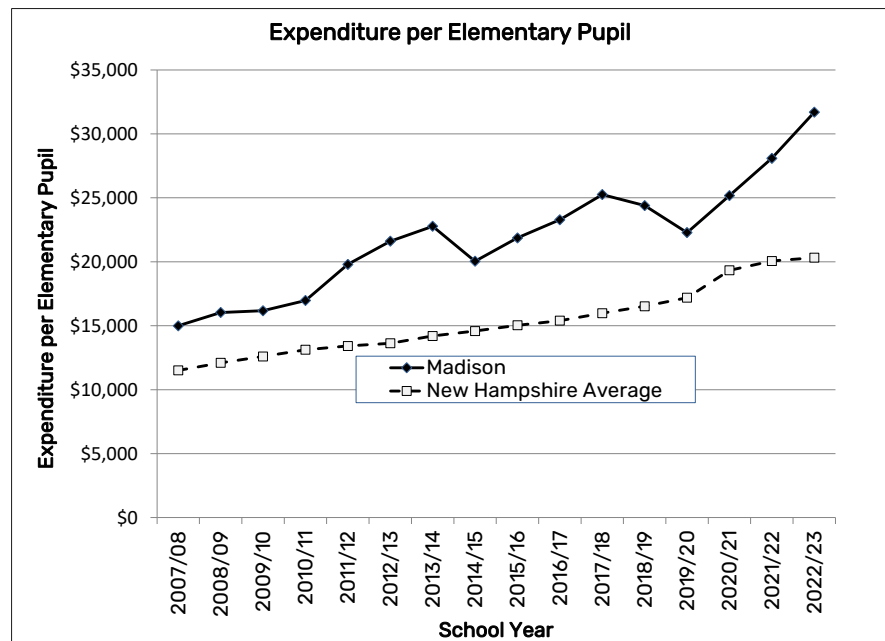


Figure 2

Figure 2 compares spending per elementary pupil in Madison and the state average for the past fifteen years. It shows that spending in Madison has remained above the state average and was \$11,373 above the state average in 2023. Smaller school districts typically have higher spending per pupil than the average because they lack efficiency of scale.



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, 11 percent to administration, 9 percent to building operations, and the remainder was devoted to transportation, food services, and other purposes.

As shown in Table 1, the proportion of Madison School District’s spending on regular instruction was much higher than the average while spending on administration, plant operations, and student support was lower.

Table 1

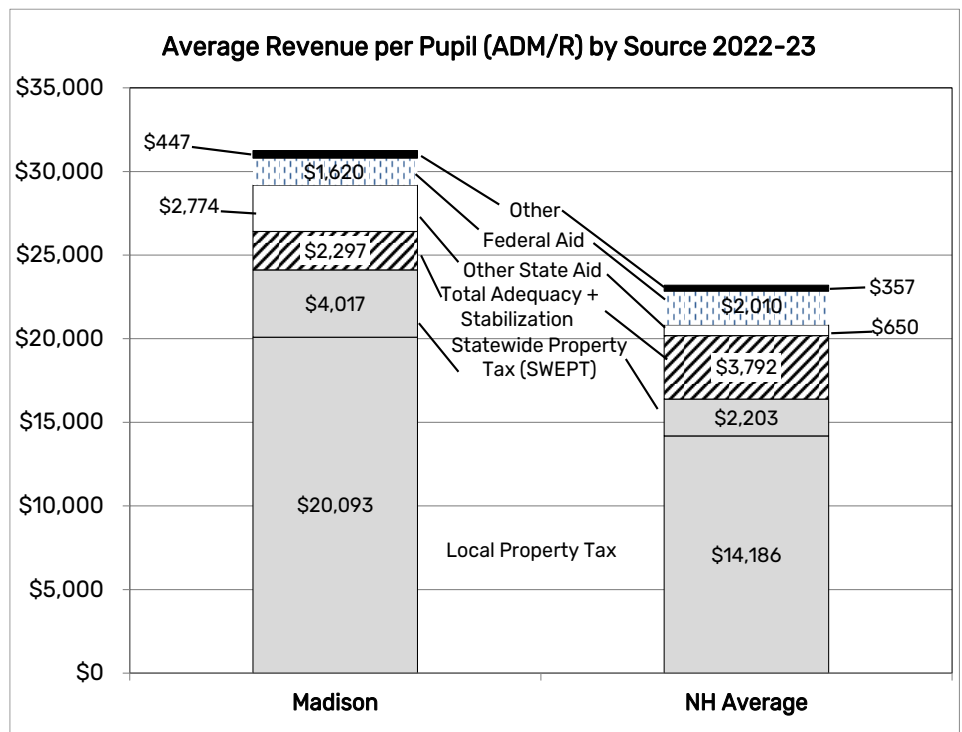
Spending by Type	Percentage	
	Madison	NH Average
Regular Instruction	50%	39%
Special Programs	20%	19%
Vocational Programs	0%	1%
Other Instructional Programs	0%	2%
Student Support Services	5%	8%
Instructional Support Staff	2%	4%
Administration	8%	11%
Plant Operations	6%	9%
Pupil Transportation	6%	5%
Food Services	1%	1%
Bond & Note Interest	0%	1%
Other Expenses	0%	0%
Total Expenses	100%	100%

How Does Madison Pay for Public Schools?

Figure 3 shows all the various revenue sources that Madison uses to pay for its students’ education, measuring them on a per-pupil basis. It also compares Madison’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.

Figure 3

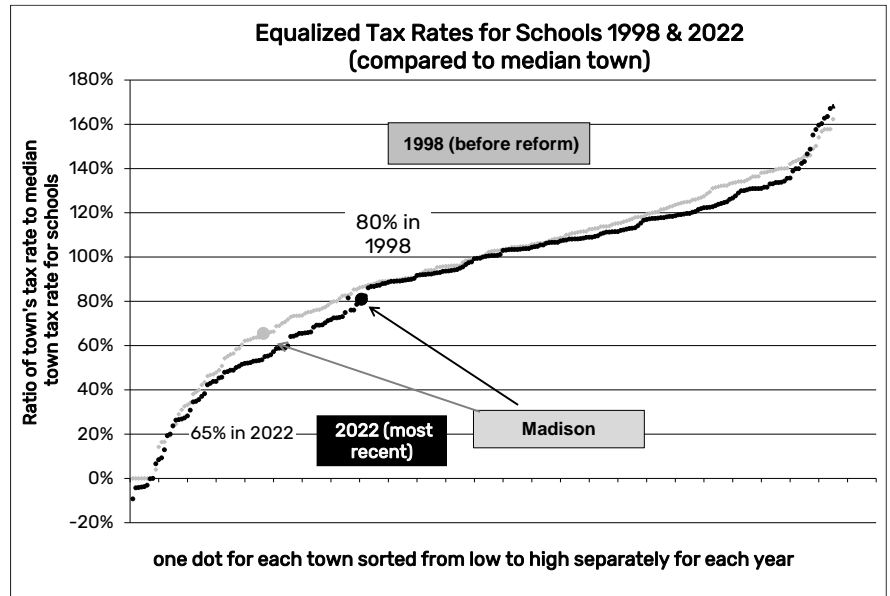
During the 2022-23 school year, Madison School District’s total school revenue was \$31,248 per pupil, a bit more than the state average of \$23,198. Property taxes (local plus statewide) provided \$24,110 per pupil or 77 percent of the overall amount, more than the state average of 71 percent. Madison received \$2,297 in total state “adequacy grant” per pupil. The state average such aid was \$3,792.



How Do Madison'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, Madison's equalized property tax rate for its schools was \$14.91 per \$1,000 of property value. This rate was 80 percent of the median town. In 2022, the equalized school property tax rate in Madison was \$6.15 per \$1,000 of value (a \$5.39 local tax rate plus a \$0.76 state tax rate, which is retained locally). This was 65 percent of the median town.

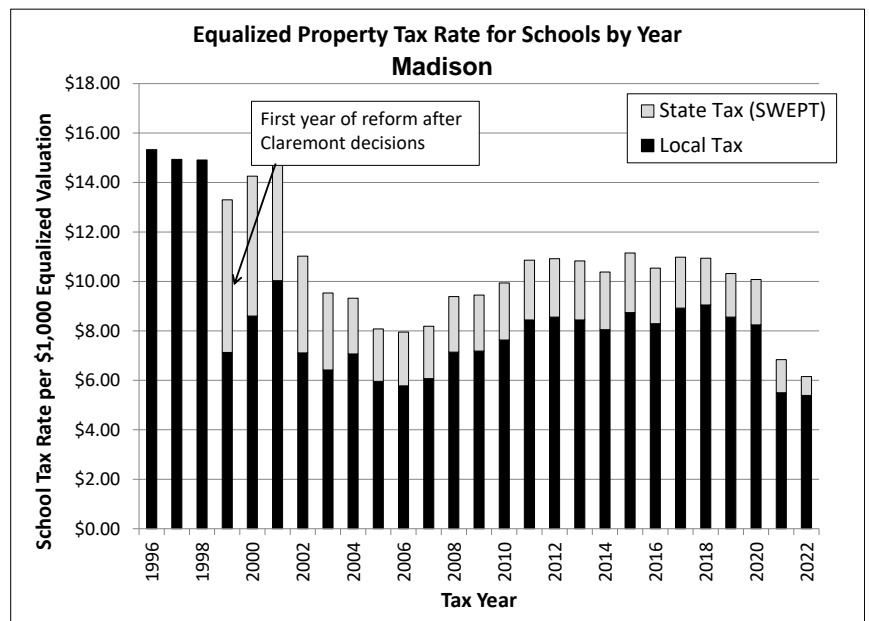
Figure 4



How Has Madison'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 \$6.17 per thousand equalized valuations in Madison. Also, in 1999 the state began the distribution of its new "adequacy aid" to each district. The result for Madison was a decrease in its equalized tax rate from \$14.91 per thousand in 1998 to \$13.30 in 1999. The 2022 equalized rate was \$6.15.

Figure 5



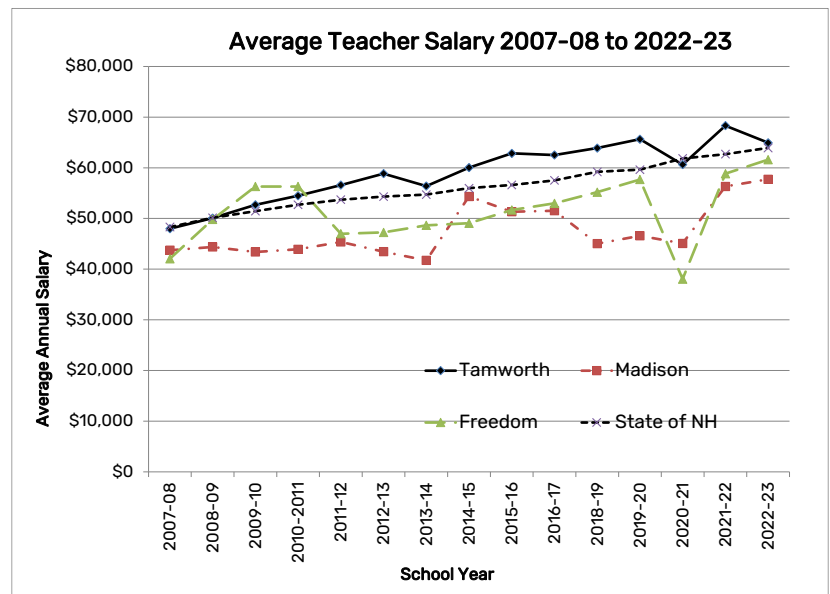
How Much Do Teachers Earn in Madison?

In 2007-08 there were 15 teachers in Madison. In 2022-23 there were 12 teachers.

In 2022-23 the average teacher salary in Madison was \$57,737. This was a bit less than the state average of \$63,926. Madison's average teacher salary has remained below the state average.

Madison's average teacher salary increased by 30 percent from 2007-08 to 2022-23. At the same time, the Consumer Price Index increased by 42 percent. During the same period, the average salary in Concord increased by 45 percent.

Figure 6



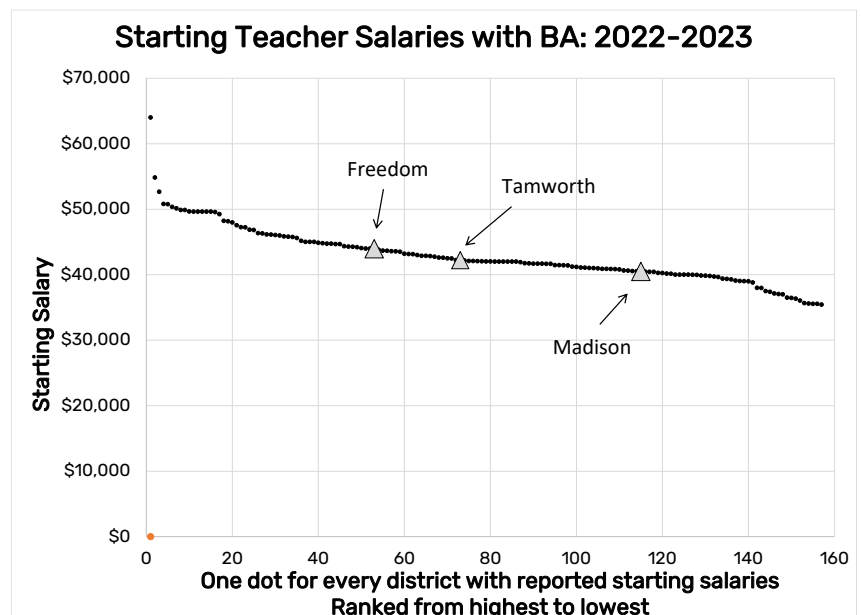
Average teacher salary is affected by two things: the actual salary schedule of a district and the number of years of teaching experience among the teachers. Teacher salary schedules generally increase salaries as teachers gain experience through years on the job. It is therefore possible for two districts that have identical salary schedules to have different average salaries. The salary of a newly recruited first-year 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.

Madison School District had a starting salary for first-year teachers (with a BA degree) of \$40,500 for the 2022-23 school year. Madison's starting salary for teachers was 3% lower than the unweighted state average of \$42,560. Figure 7 shows Madison, Freedom, and Madison's starting salaries in comparison to all others in the state. As seen, Madison falls toward the lower end.

Figure 7



What Does Madison 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 such student. The cost of these services is tracked within the overall spending of each district.

As shown in the table below, in 2022-23 Madison reported spending \$1,737,824.00 for these additional services.

Function	Amount
Instruction	\$1,481,430.00
Instruction Related	\$97,483.00
Administration	\$92,025.00
Legal	\$0.00
Transportation	\$66,884.00
TOTAL	\$1,737,824.00

During that year, Madison had 97 students with IEPs. On average, this was \$17,915 for each such student. In the state overall there were 30,965 such students and the total cost was \$915,220,911. The statewide average was \$29,557. The average cost for extra services for each student with an IEP in Madison was much less than the average throughout the state.

These costs *are in addition to* the share of non-special education costs that are shared among all students. While \$29,557 was the average extra cost, for some students with considerable disability, the cost can be much higher than the average while for others it may be only a few hundred dollars.

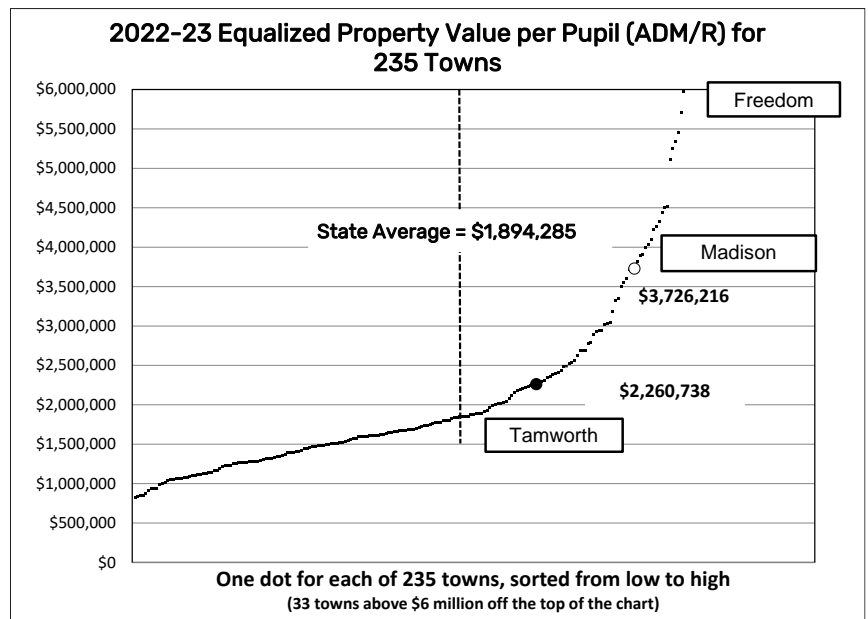
How Do Property Values in Madison Compare to Other Communities?

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 2022, Madison had \$3,726,216 of equalized property valuation and 267 students (as measured by average daily membership in residence or ADM-R). This means that Madison’s EQVP that year was \$3,726,216. The state average

Figure 8



EQVP was \$1,894,285. Madison had 196 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 students in 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.