

# Answers to Key Questions about School Funding in Salisbury and Merrimack Valley School District

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 Salisbury 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 Salisbury 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, Salisbury spent \$5,734 per elementary school student or 96 percent of the typical (or median) town’s spending. In the school year 2022-23, Salisbury spent \$18,178 per elementary pupil, which was 80 percent of the NH Median.

Figure 1

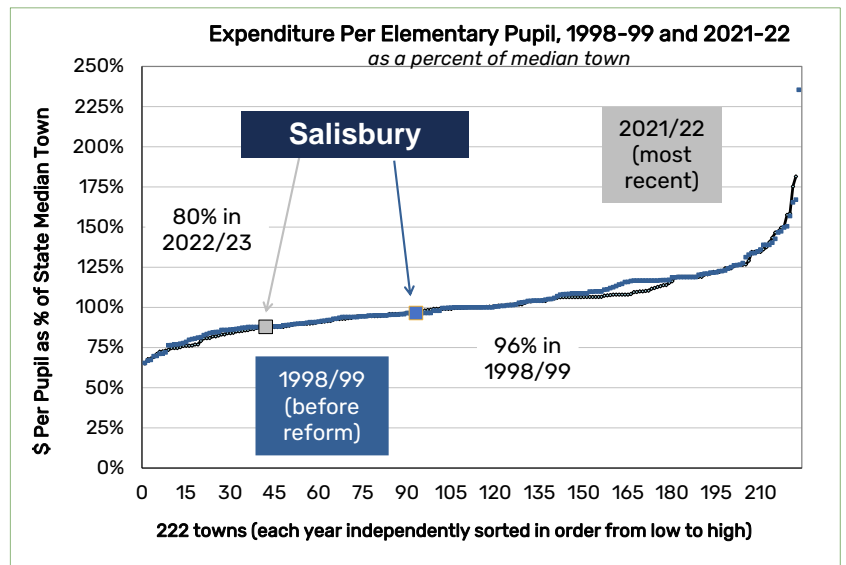
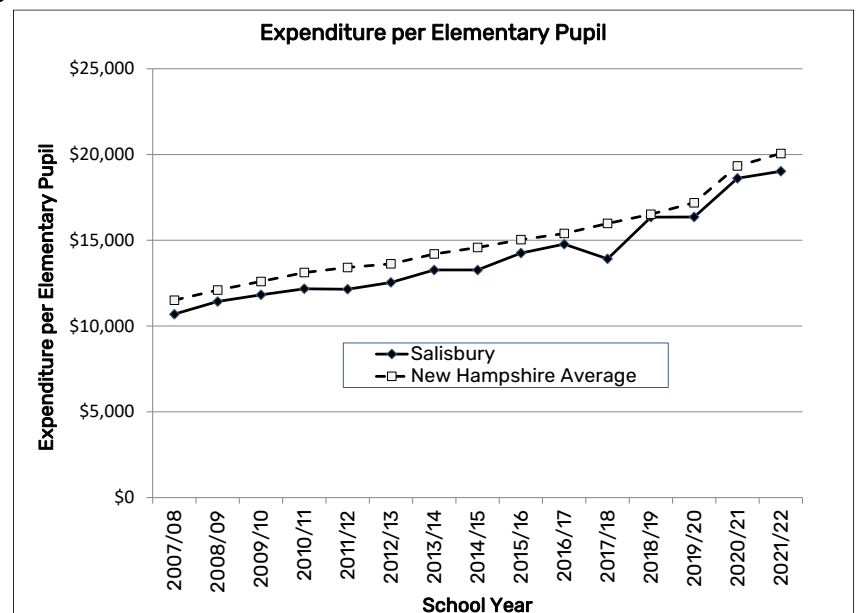


Figure 2 compares spending per elementary pupil in Salisbury and the state average for the past fifteen years. It shows that spending in Salisbury has remained below the state average and was \$2,144 below the state average in 2023. Smaller school districts typically have higher spending per pupil than the average because they lack scale efficiency. Salisbury is an exception.

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, 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 Merrimack Valley School District’s spending on regular instruction was lower than the average while spending on student support programs, and special programs were higher.

Table 1

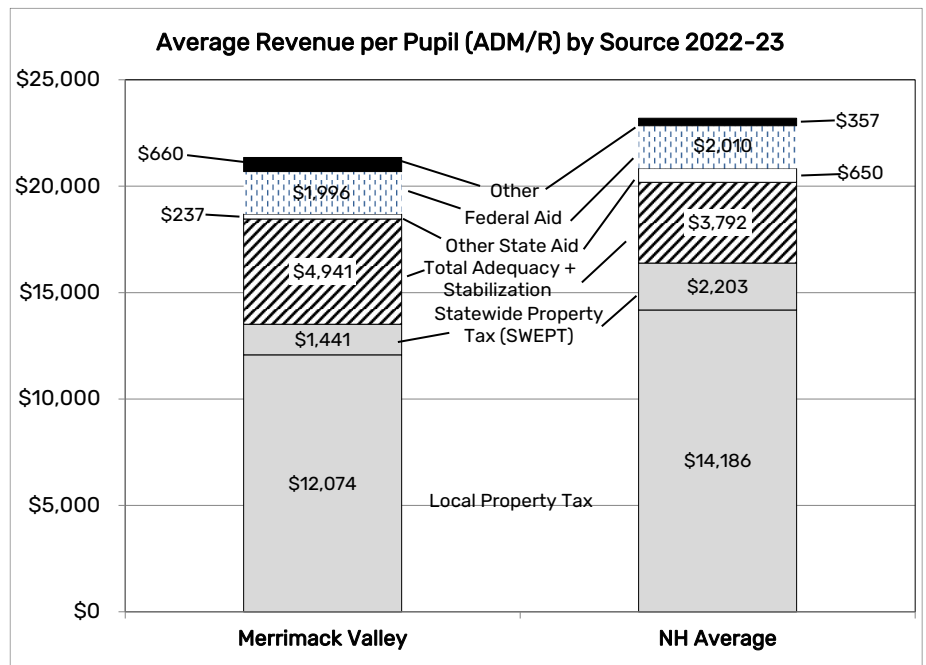
Spending by Type	Percentage	
	Merrimack	NH Average
Regular Instruction	36%	39%
Special Programs	21%	19%
Vocational Programs	1%	1%
Other Instructional Programs	2%	2%
Student Support Services	13%	8%
Instructional Support Staff	4%	4%
Administration	8%	11%
Plant Operations	9%	9%
Pupil Transportation	6%	5%
Food Services	1%	1%
Bond & Note Interest	0%	1%
Other Expenses	0%	0%
<b>Total Expenses</b>	<b>100%</b>	<b>100%</b>

### How Does Salisbury Pay for Public Schools?

Figure 3 shows all the various revenue sources that Salisbury uses to pay for its students’ education, measuring them on a per-pupil basis. It also compares Salisbury’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, Salisbury School District’s total school revenue was \$21,350 per pupil, only a bit less than the state average of \$23,198. Property taxes (local plus statewide) provided \$13,516 per pupil or 63 percent of the overall amount, more the same as the state average of 71 percent. Salisbury received \$4,941 in total state “adequacy grant” per pupil. The state average such aid was \$3,792.

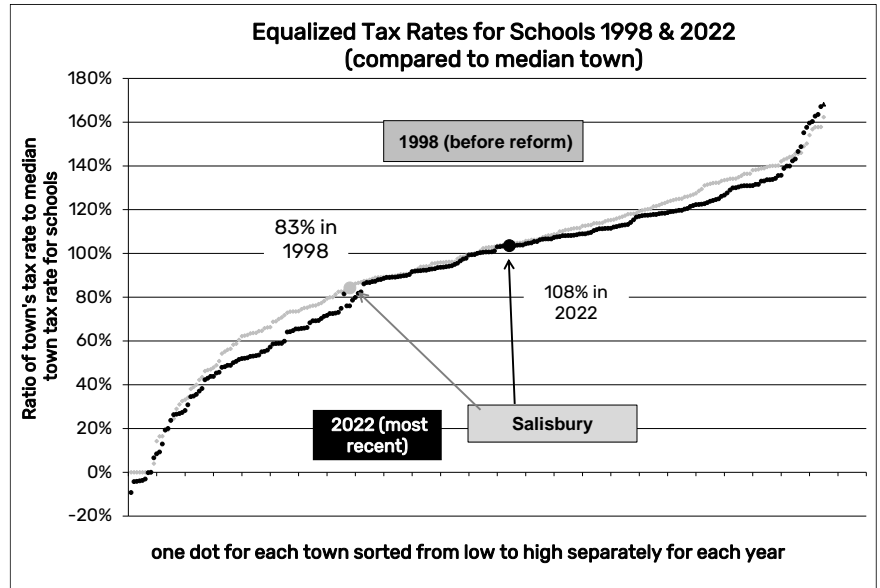
Figure 3



## How Do Salisbury'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, Salisbury's equalized property tax rate for its schools was \$15.41 per \$1,000 of property value. This rate was 83 percent of the median town. In 2022, the equalized school property tax rate in Salisbury was \$10.11 per \$1,000 of value (a \$9.29 local tax rate plus a \$0.82 state tax rate, which is retained locally). This was 108 percent of the median town.

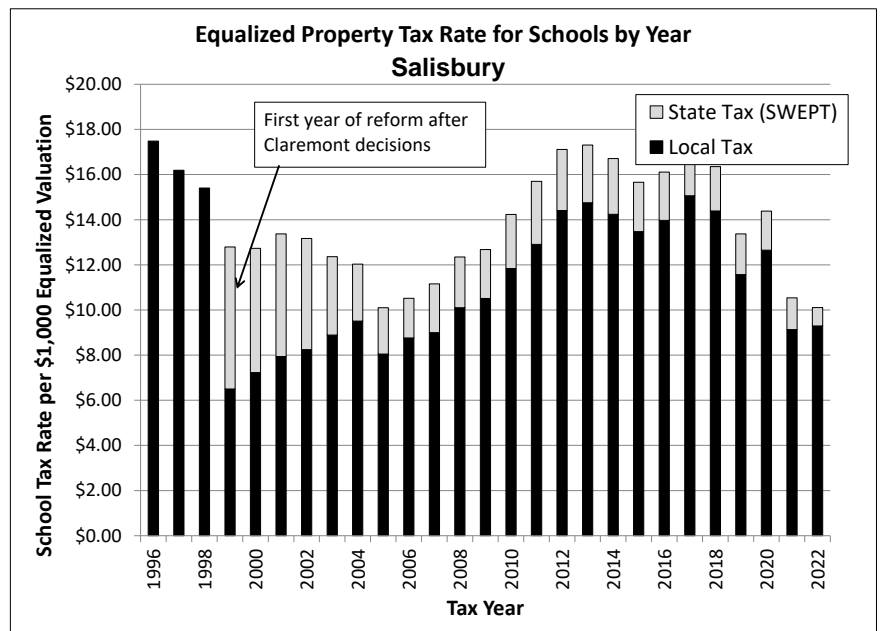
Figure 4



## How Has Salisbury'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 \$6.29 per thousand equalized valuations in Salisbury. Also, in 1999 the state began the distribution of its new "adequacy aid" to each district. The result for Salisbury was a decrease in its equalized tax rate from \$15.41 per thousand in 1998 to \$12.79 in 1999. The 2022 equalized rate was \$10.11.

Figure 5



## How Much Do Teachers Earn in Salisbury?

In 2007-08 there were 77 teachers at Merrimack Valley. In 2022-23 there were 68 teachers.

In 2022-23 the average teacher salary at Merrimack Valley was \$52,919. This was a considerable bit less than the state average of \$63,926. Merrimack Valley's average teacher salary has remained below the state average and Concord.

Merrimack Valley's average teacher salary increased by 22 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.

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.

Merrimack Valley School District had a starting salary for first-year teachers (with a BA degree) of \$43,200 for the 2022-23 school year. Salisbury's starting salary for teachers was 1% higher than the unweighted state

Figure 6

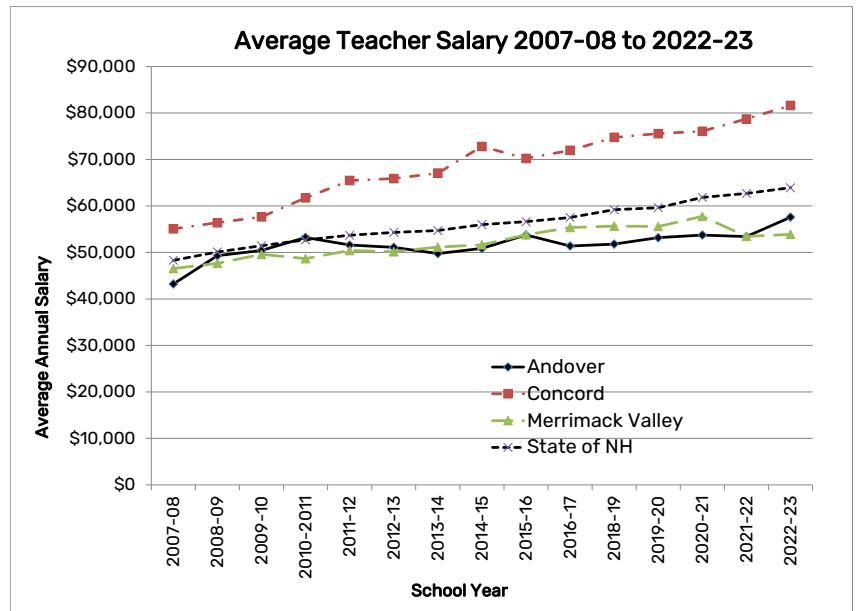
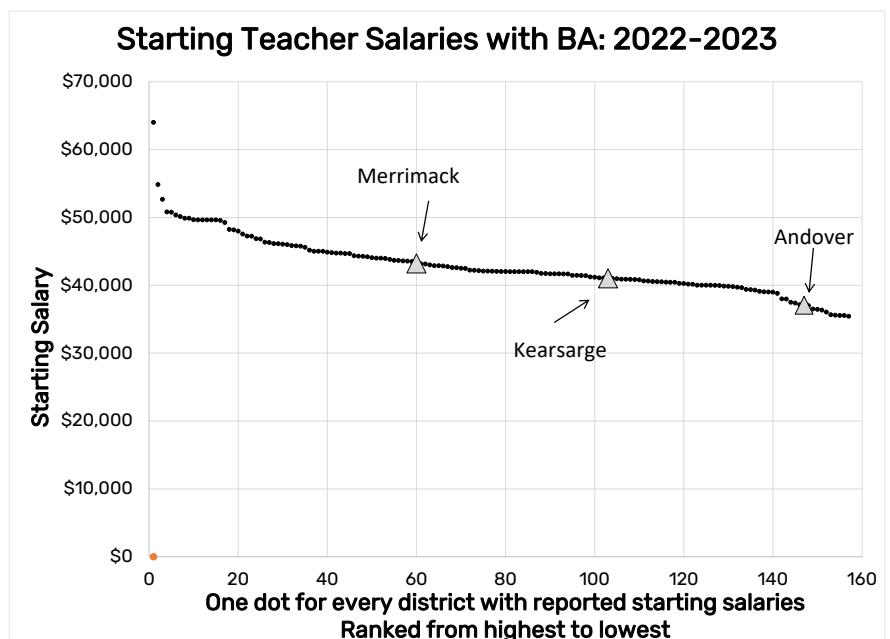


Figure 7



average of \$42,560. Figure 7 shows Andover, Kearsarge, and Merrimack Valley starting salaries in comparison to all others in the state. As seen, MV falls toward the middle.

### What Does Merrimack Valley 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 Merrimack Valley reported spending \$13,271,671.00 for these additional services.

Function	Amount
Instruction	\$9,241,791.00
Instruction Related	\$2,221,198.00
Administration	\$919,154.00
Legal	\$49,569.00
Transportation	\$839,959.00
<b>TOTAL</b>	<b>\$13,271,671.00</b>

In the state overall there were 30,965 such students and the total cost was \$915,220,911. The statewide average was \$29,557.

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.

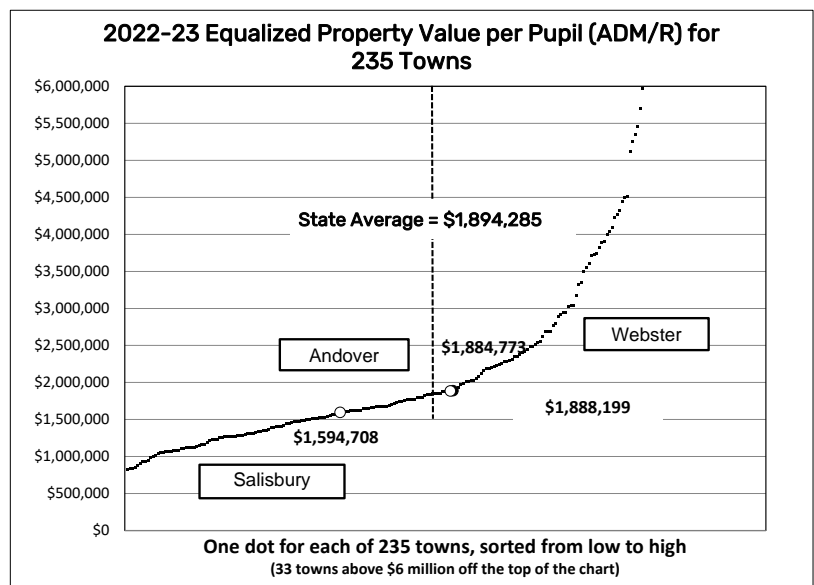
### How Do Property Values in Salisbury Compare to Other Communities?

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, Salisbury had \$261,376,209 of equalized property valuation and 164 students (as measured by average daily membership in residence or ADM-R). This means that Salisbury’s EQVP that year was \$1,594,708. The state average EQVP was \$1,894,285.

Figure 8



Salisbury had just 84 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.*