

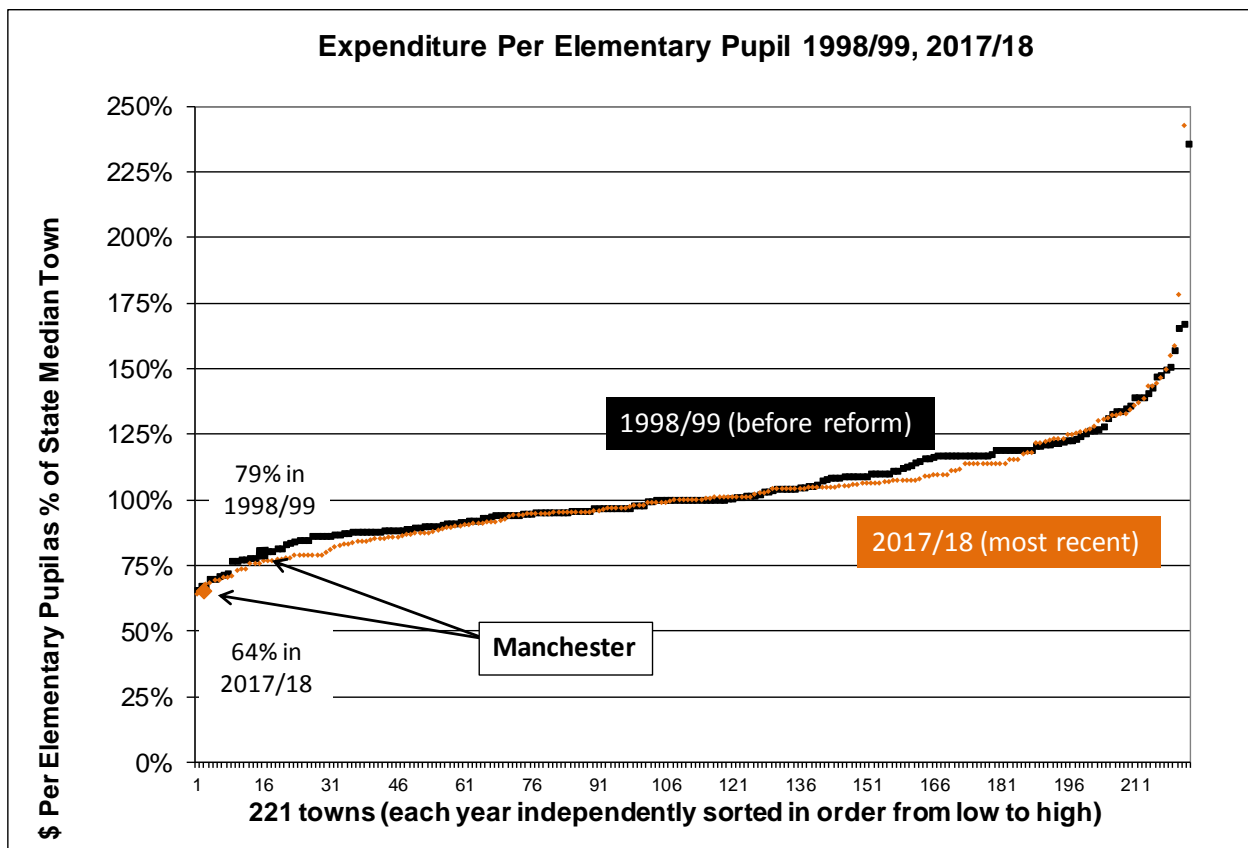
Manchester and School Funding

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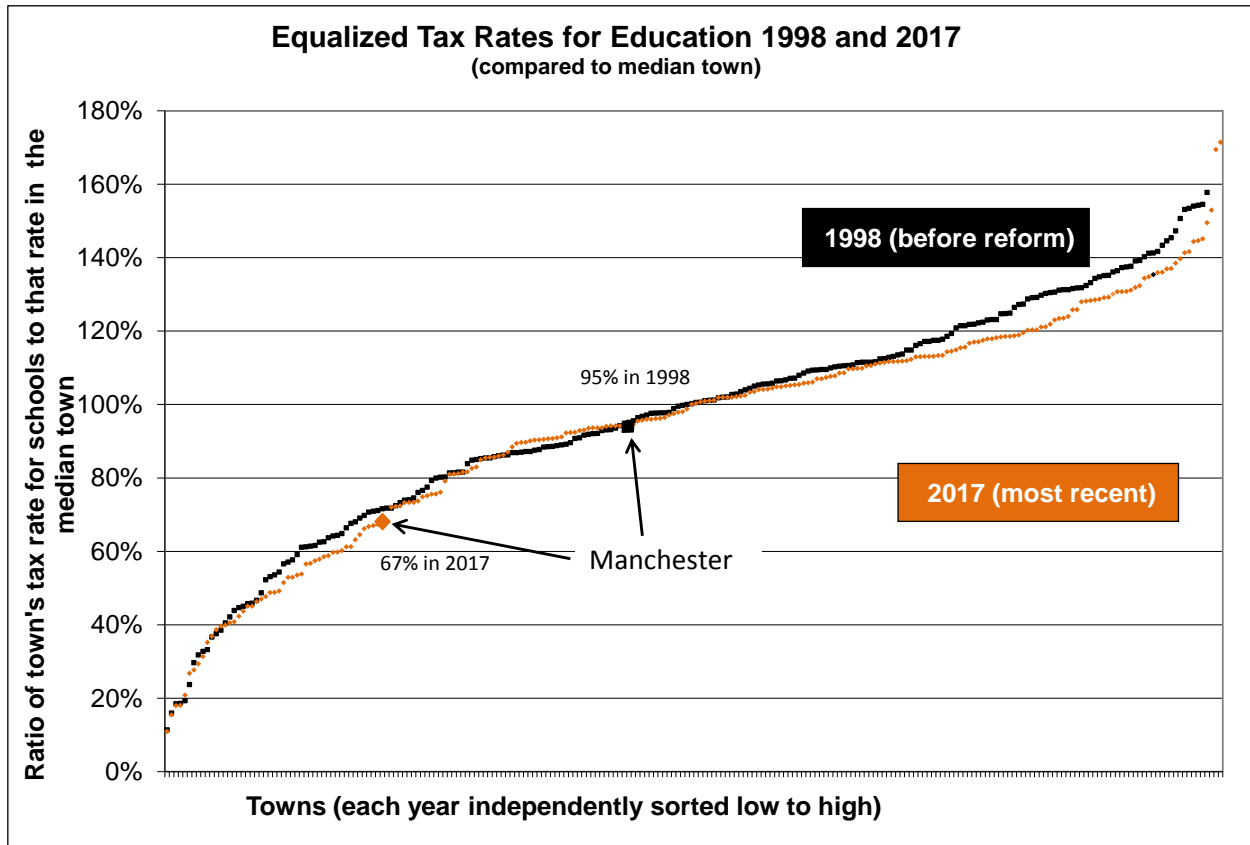
1. Spending per elementary pupil

School year 1998/99 was the last year of state aid before the new increased aid to pay for an “adequate” education was introduced after the NH Supreme Court’s *Claremont* rulings. That year, Manchester reported spending \$4,668 per elementary student, 79% of what the state median town had spent and 15th lowest among 223 municipalities. In school year 2017/18, the most recently completed year, Manchester reported spending \$11,368 per elementary pupil, 64% of what the median town had spent and 2nd lowest in the state.



2. Property tax rates for schools

1998 was the last tax year before the new aid to pay for an “adequate” education was introduced after the NH Supreme Court’s *Claremont* rulings. That year, the equalized tax rate for the Manchester schools was \$18.65. This was 95% of the state median town. In 2017, the equalized tax rate was \$9.85 (\$7.85 local plus \$2.00 state and retained by the town). This was 67% of the state median town.



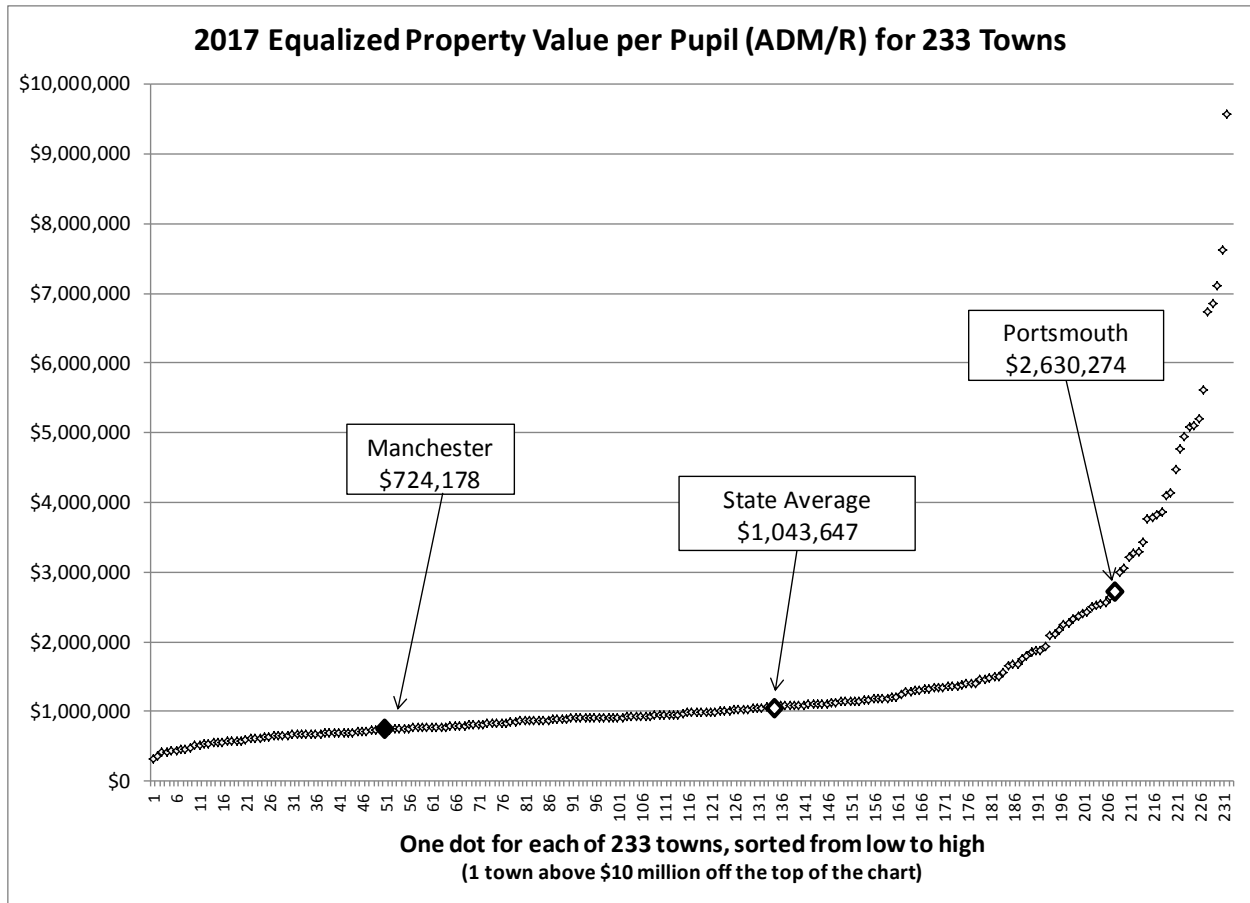
Manchester's relative ranking has fallen significantly. This means that its tax rate for its schools has not risen as fast as that of the median town in New Hampshire.

3. Property value for each pupil

Over the intervening years, Manchester's spending per elementary student has been among the lowest in the state while its relative school tax rate has fallen and is now only 2/3rds of the median town. Manchester has received more state aid in 2018 than it did in prior to reform in 1999.

The most important statistic that relates the ability of different towns to raise taxes for the purpose of their schools is Equalized Property Value per Pupil.

Manchester has \$10.115 billion of equalized property valuation and 13,968 average daily number of students (ADM/R). This means that Manchester has \$724,178 of property value for each pupil. The state average was \$1,043,647. Manchester was 69% of the state average and less than 1/3 that of Portsmouth.



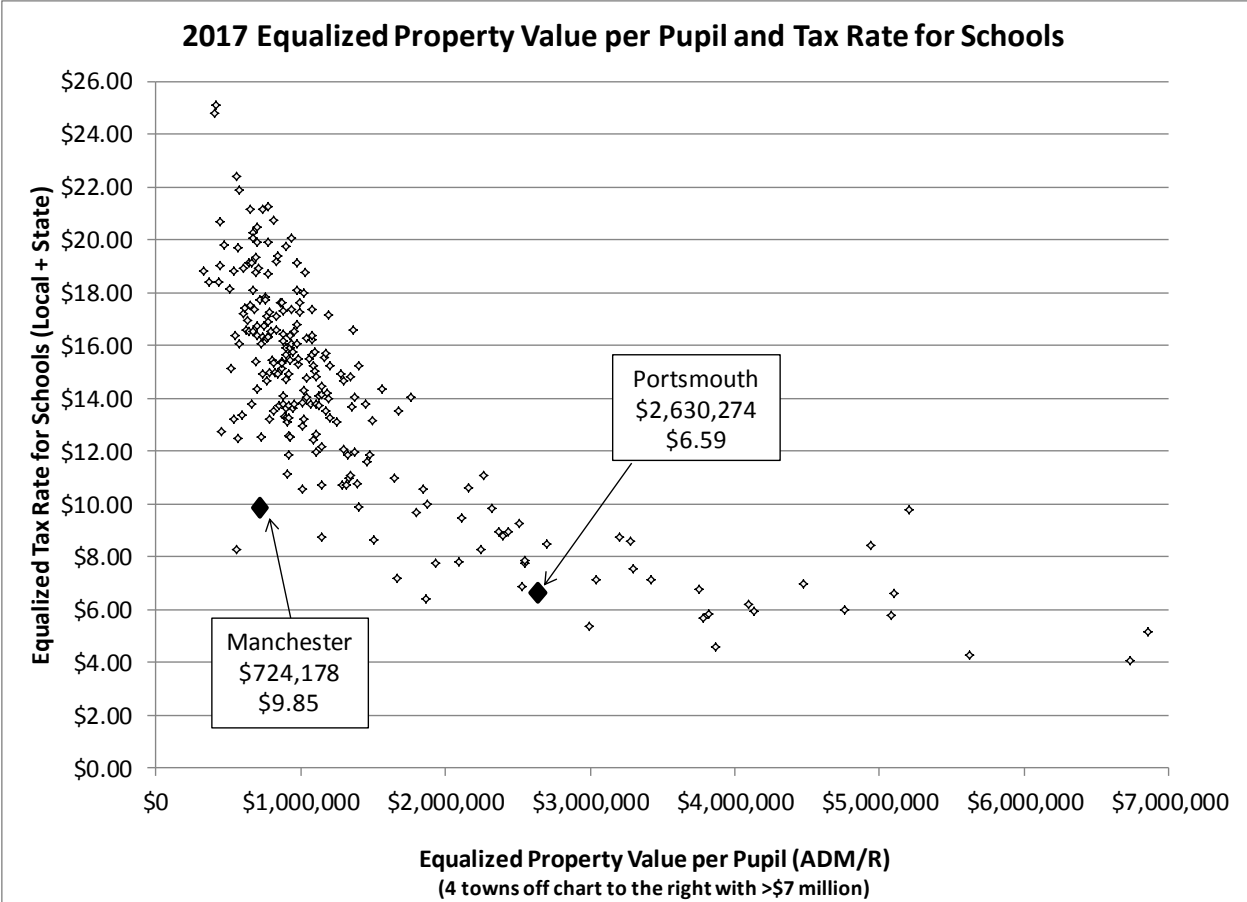
If Manchester were to raise the same amount per pupil for their schools that Portsmouth does, Manchester's school tax rate would have to be \$23.95, about 3.6 times higher than that of Portsmouth.

Of course, that is not what happens. Portsmouth raises \$17,340 per pupil with only a \$6.59 equalized school tax rate while Manchester can only raise \$7,136 per pupil with an equalized school tax rate of \$9.85. Portsmouth raises from its tax base \$10,204 more for every pupil in its schools than does Manchester.

This difference continues with only slight variation year after year. In the 13 years from kindergarten through 12th grade, Portsmouth will raise locally \$132,000 more for educating each of its children than will Manchester.

Think of a classroom of 20 students. Portsmouth raises \$204,000 more per classroom at a tax rate 2/3 that of Manchester. And will continue to do so year after year.

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 the NH Department of Education's reports, "Equalized Valuation per Pupil 2017-18" and "Cost Per Pupil By District, 2017-18." Equalized property values and tax rates are for tax year 2017. Count of pupils is from September 2018. Tax rates printed on town tax bills are not equalized and cannot be compared between towns. Using equalized rates allows an apples-to-apples comparison.