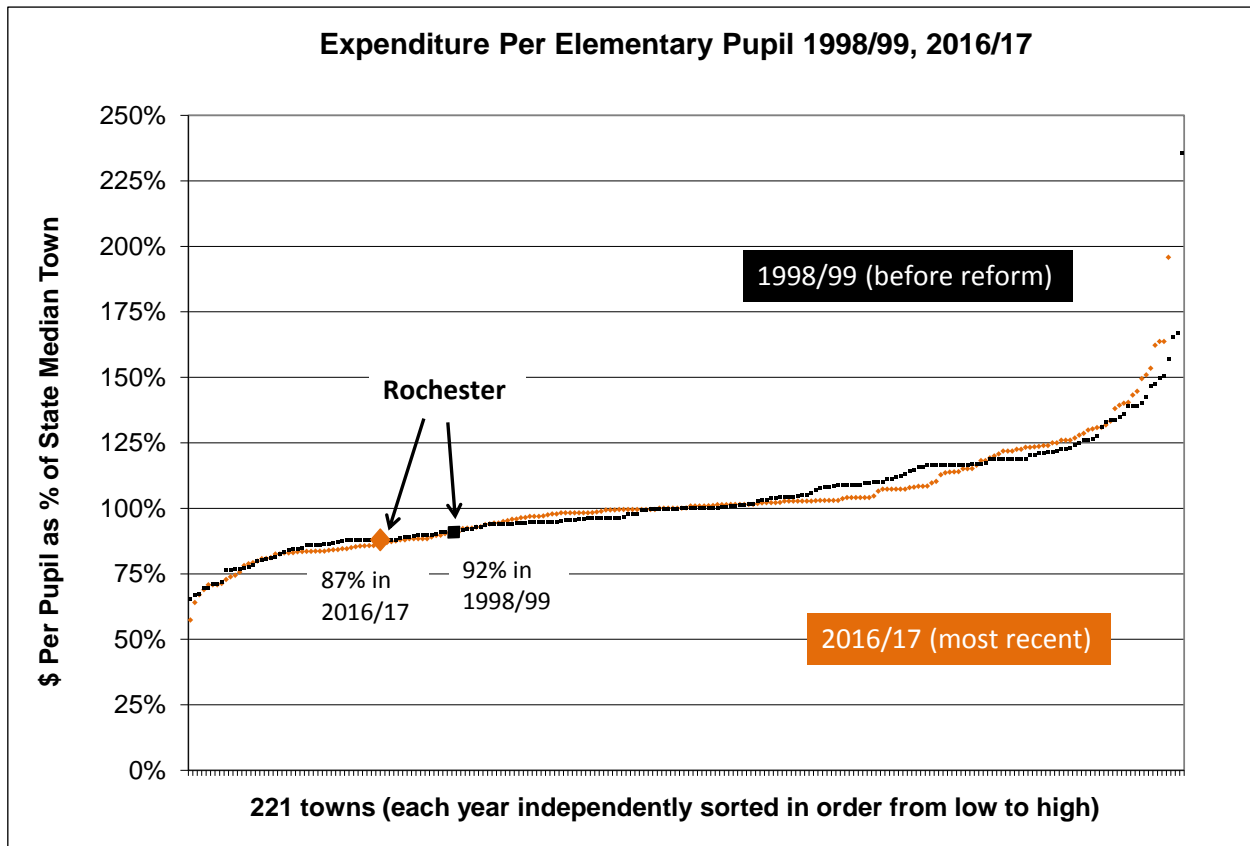


Rochester and School Funding

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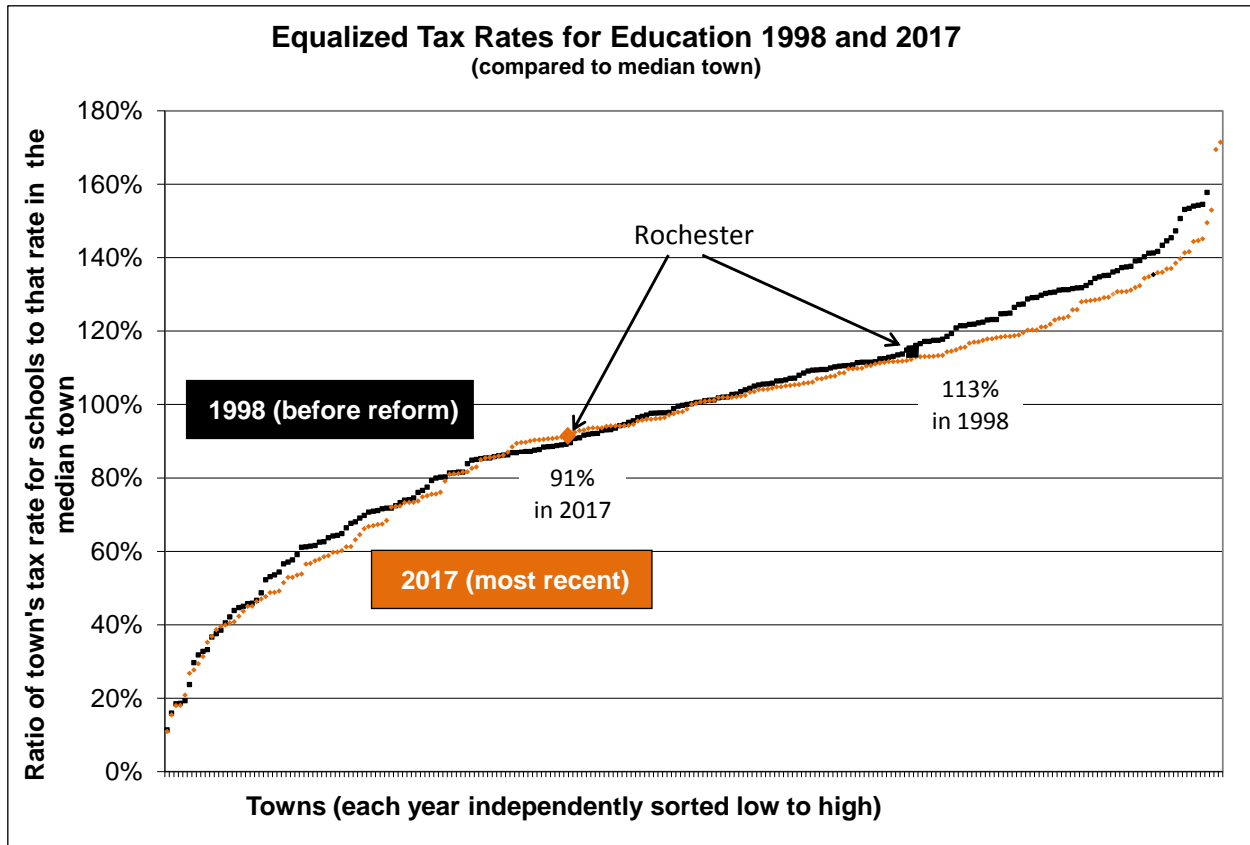
1. Spending per elementary pupil

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, Rochester reported spending \$5,441 per elementary student, 92% of what the state median town had spent. In school year 2016/17, the most recently completed year, Rochester reported spending \$14,469 per elementary pupil, 87% of what the median town had spent. While slightly lower recently, this is fairly consistent.



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 Rochester schools was \$22.12. This was 113% of the state median town. In 2017, the equalized tax rate was \$13.35 (\$11.37 local plus \$1.98 state and retained by the town). This was 91% of the state median town.



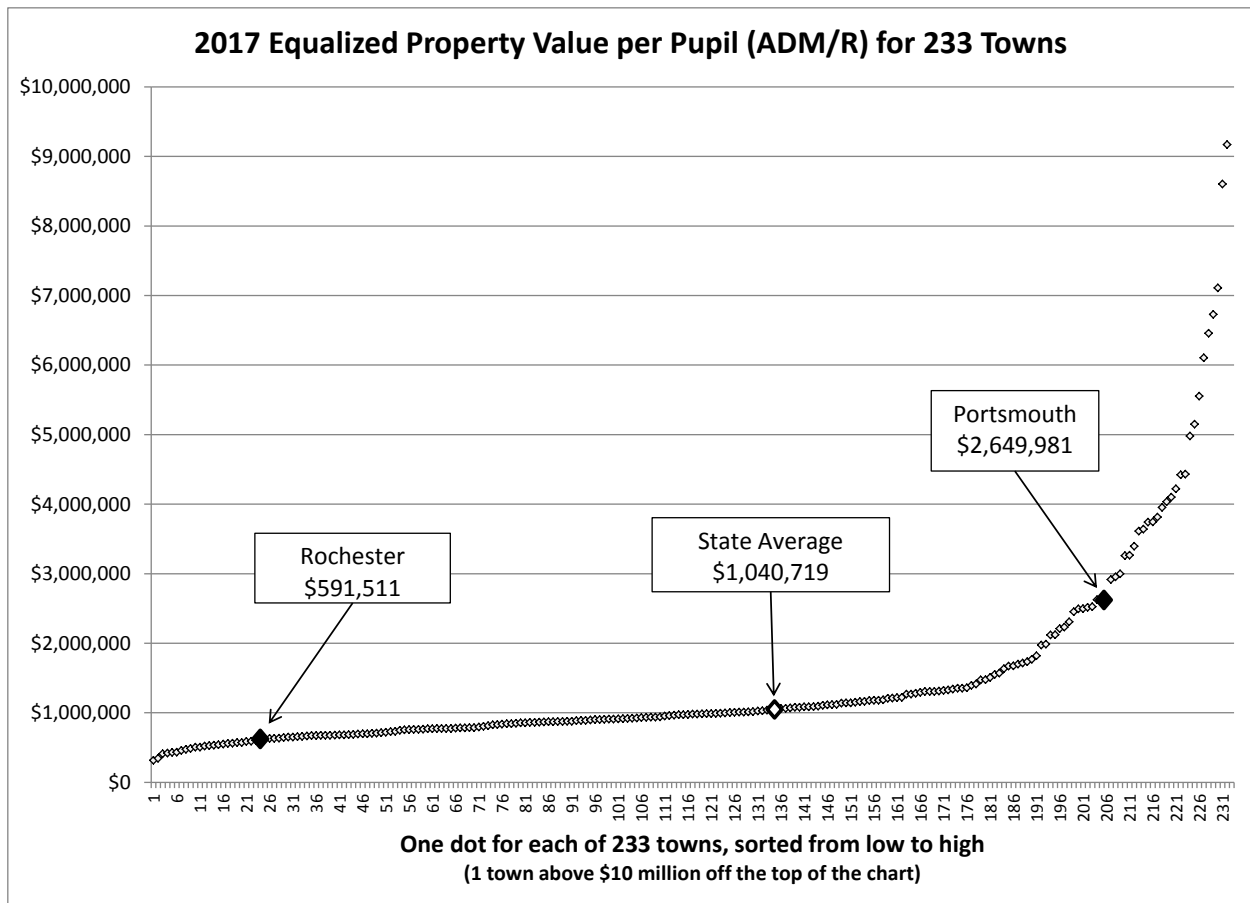
Rochester's relative ranking has fallen. Significantly, this means that its tax rate for its schools has not risen as fast as that of the median town in New Hampshire.

3. Property value for each pupil

Over the intervening years, Rochester's spending per elementary student has remained about 10% below the median town while its tax rate has declined from 113% to 91% of the median town. Rochester has received more state aid in 2017 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.

In 2017, Rochester had \$2.473 billion of equalized property valuation and 4,180 average daily number of students (ADM/R). This meant that Rochester had \$591,511 of property value for each pupil. The state average was \$1,040,719. Rochester was 43% below the state average and about 1/4 of Portsmouth.



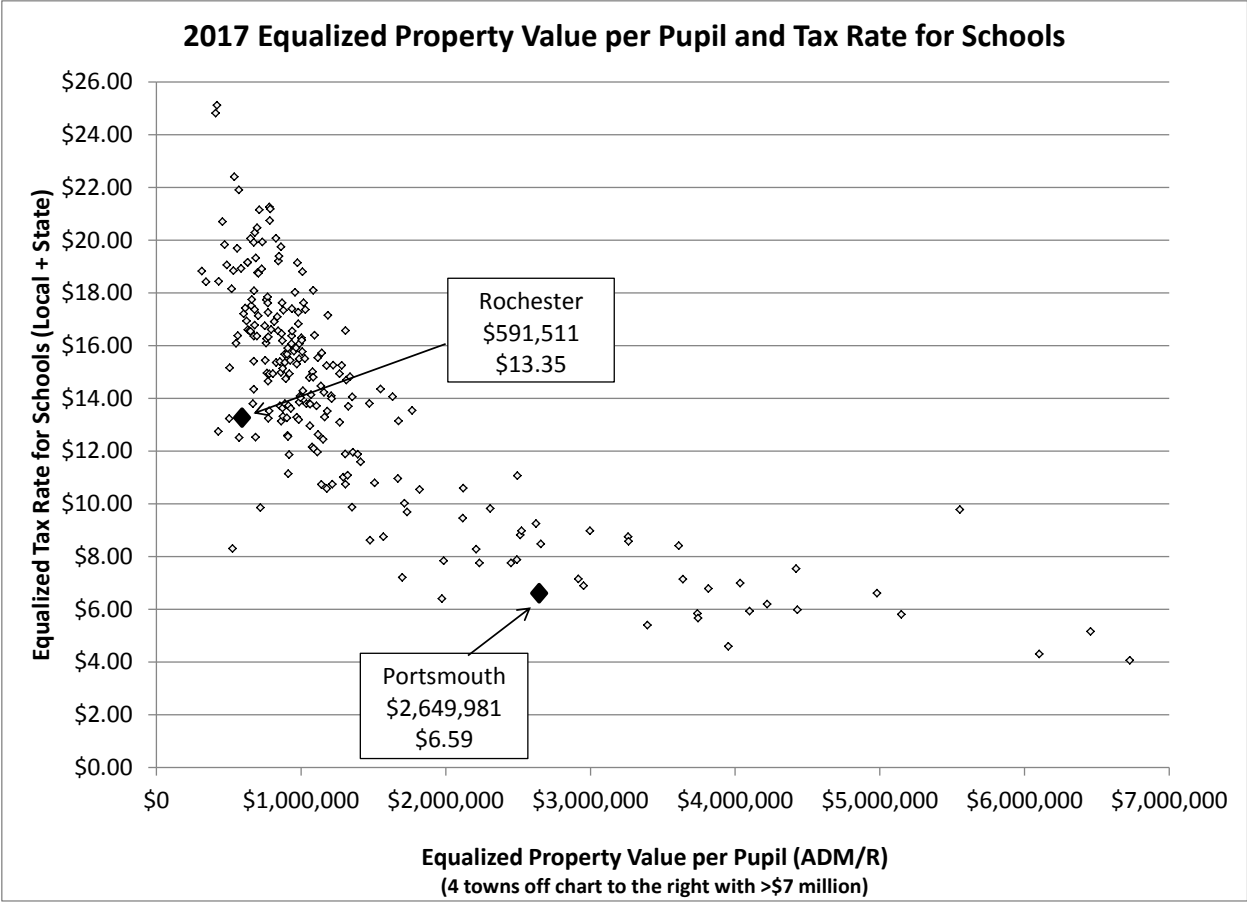
If Portsmouth and Rochester were to raise the same amount per pupil for their schools, Rochester's school tax rate have to be nearly 4.5 times higher than that of Portsmouth.

Of course, that is not what happens. Portsmouth raises \$17,470 per pupil with only a \$6.59 equalized school tax rate while Rochester can only raise \$7,896 per pupil with an equalized school tax rate of \$13.35.

This difference continues with only slight variation year after year. In the 13 years from kindergarten through 12th grade, Portsmouth will raise locally \$125,000 more for educating each of its children than will Rochester.

Think of a classroom of 20 students. Portsmouth raises \$190,000 more per classroom at a tax rate ½ that of Rochester. 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: Equalized valuations and tax rates for the 2017 tax year were released in a NH Department of Revenue Administration spreadsheet in June 2018 and have been used in this paper. The NH Department of Education's report "Equalized Valuation per Pupil" was published on December 7, 2017, and necessarily used tax data from 2016. Thus, data used here is more recent and will differ slightly from that report. 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.