



Strafford Regional Planning Commission

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“Planning and action for sustainable development and an improved quality of life”.

Fact Sheet:

Issue Date: October 29, 2004

Education Funding in New Hampshire

How New Hampshire pays for schools

Three variables determine each town's share of the adequacy fund:

1. The town's school population (average daily membership in residence)
2. The number of school children receiving free or reduced lunch (a measure of the number of pupils from low-income families)
3. The equalized value of the town's taxable property (a measure of the town's property wealth and thus an indication of how much “tax effort” is required to raise revenues).

Step-by-Step Explanation

There are two parts to the aid calculation: 1. determining the cost of “adequate education” in each town; and 2. determining how each town should meet those costs.

1. Determining the cost of ‘adequate education’

The cost of adequate education is determined by multiplying the number of students the town has in its schools by a standard “per-pupil adequacy cost.”

$$\begin{aligned} &\text{Number of pupils} \times \text{per-pupil adequacy cost} \\ &\text{ADM/R (FY 2002)} \times \$3,390 \end{aligned}$$

(ADM/R stands for average daily membership in residence. It is the average number of pupils in the school on an average day once absentees, truants, and others have been accounted for.)

2. Allocating the costs of ‘adequate education’

Once the town's cost of an “adequate education” is determined the next step is to determine how much state aid each town will receive to offset those costs. The current statewide property tax is \$3.33 per \$1,000 of equalized property value

Source: Minard, Richard A. “Understanding State Aid, FY 05”. New Hampshire Center for Public Policy Studies. www.nhpolicy.org