

No. 4: ConVal School District Tax Assessment

You may have just received – or are about to receive – your latest property tax bill.

Each of the nine towns in the ConVal school district issues two tax bills every year. In July, the preliminary tax bill is issued and in December the final tax bill is issued. The preliminary tax bill is based on the previous year tax rates whereas the final December bill uses actual approved rates.

The tax bill is based on the assessed value of one's home. It includes four different taxes:

- State education taxes
- School or Local education taxes
- Municipal (or Town) taxes
- County taxes

This article will explain the key steps and calculations involved in developing the “local education” portion of the tax bill.

There are several key steps in the calculation of the bills (and the approximate dates these occur every year). School, town, and state personnel are all involved in this process.

1. Voter approval of school budget for the FY20-21 school year (March '20)
2. Determine Fund Balance for the FY19-20 school year (due Sept 1)... (see Article 3)
3. Calculate District Assessment and allocate to the towns (Oct)
4. Establish “local education” tax rate for each town (Oct-Nov)
5. Issue Property Tax Bills based on assessed value... November/December

After the school budget for the upcoming school year is determined by vote in March, it must be apportioned to each of the nine towns in the district. The method used for this must adhere to both state laws and regulations and to the ConVal School District **Articles of Agreement**.

District Tax Assessment

Table 1 includes key data from the “Cooperative District Apportionment” document issued by NH Department of Education for the last several years. The most recent report (for FY2021) is dated November 3rd. The report states the total amount to be raised for the District through local property as well as the amount to be raised by each town.

The table shows the total District budget and District Tax Assessment for the past several years. Note that that amount to be raised through local property taxes is reduced by several factors – including the amount of State Education Taxes and State Adequacy Grants received by the towns in the District.

The balance (or **District Tax Assessment**) is what is then allocated to the towns based on the Articles of Agreement.

	2017	2018	2019	2020
Budget (MS22 & 24)	\$ 45,858,369	\$ 48,712,397	\$ 49,637,194	\$ 51,235,103
Total to Apportion	\$ 40,368,728	\$ 43,437,737	\$ 45,123,920	\$ 48,099,568
State Education Taxes	\$ 4,561,136	\$ 4,281,725	\$ 4,339,719	\$ 4,259,836
State Adequacy Grant	\$ 7,383,872	\$ 7,373,770	\$ 8,062,504	\$ 8,512,066
District Tax Assessment	\$ 28,423,720	\$ 31,782,242	\$ 32,721,697	\$ 35,327,666
			V%	7.96%

Table 1 - ConVal District Tax Assessments

State Education Taxes and Adequacy Grant - NH establishes state education tax rates for each town based on equalized values of homes and returns a portion based on a formula that represents the “Cost of an Opportunity for an Adequate Education”.

The Adequacy Grant received by each town is based on its **ADM** (\$3631.06 per student) and is increased for students that are:

- Eligible for free or reduced-price lunches
- Special education students with an individualized education plan (IEP)
- English Language Learners
- Below proficient level on the state assessment for reading

Apportionment

The **District Tax Assessment** total is allocated amongst the nine towns based on the following funding formula that is mandated by the District **Articles of Agreement**:

- Average Daily Membership (ADM) – 50% (a factor based on students from each town)
- Equalized Value – 50% (a factor based on assessed values of homes in the District)

Average Daily Membership (ADM) - Attendance and residence enrollments for the previous school year are reported to the state each October. The data is broken down by total district and town and by the following grade levels: pre-school, kindergarten, elementary, middle/junior high, and high school. This report is usually published by the state in February.

50% of the total district assessment is assigned to towns in the district based on each town’s percentage of ADM. The ADM for the 2018-19 School year was used for the 2020 District Assessment (<https://www.education.nh.gov/data/attendance.htm>)

Equalized Value – the state also collects and publishes information on the “equalized value” of homes within each town and the districts (<https://www.education.nh.gov/data/financial.htm>).

This data is used to calculate two taxes that show up on your tax bill:

- State education tax
- Local education tax

The state determines and publishes the state education tax rate that each town includes on the property tax bills. Each town collects this tax for the District.

50% of the total district assessment for local education is allocated to towns in the district based on each town's percentage of total district equalized Value. EV from 2019 was used for the 2020 apportionment.

Table 2 provides a summary of the current ADM and Equalized Value data.

District Allocation - 2020					
Town	ADM (2018-19)	% of District	Equalized Value (2019)	% of District	Total % District
Antrim	325.75	15.42%	\$ 284,199,452	11.94%	13.68%
Bennington	203.93	9.65%	\$ 130,016,520	5.46%	7.56%
Dublin	139.77	6.62%	\$ 267,826,093	11.25%	8.93%
Fracestown	174.88	8.28%	\$ 221,062,592	9.29%	8.78%
Greenfield	189.48	8.97%	\$ 178,972,295	7.52%	8.24%
Hancock	164.06	7.77%	\$ 282,972,606	11.89%	9.83%
Peterborough	721.56	34.16%	\$ 798,193,602	33.54%	33.85%
Sharon	46.21	2.19%	\$ 54,220,065	2.28%	2.23%
Temple	146.81	6.95%	\$ 162,526,923	6.83%	6.89%
CONVAL Total	2112.45	100.00%	\$ 2,379,990,148	100.00%	100.00%

Table 2 - Key District Tax Data

Table 3 shows the actual District Tax Assessment allocation by town for the past several years.

District Tax Assessments (2017-2020)						
Town	2017	2018	2019	2020	2019-20 Increase	
Antrim	\$ 2,874,978	\$ 3,395,767	\$ 3,275,899	\$ 3,770,878	\$ 494,979	15.11%
Bennington	\$ 1,670,828	\$ 1,762,575	\$ 1,949,857	\$ 1,996,829	\$ 46,972	2.41%
Dublin	\$ 2,837,395	\$ 3,352,339	\$ 3,529,139	\$ 3,667,159	\$ 138,020	3.91%
Fracestown	\$ 2,402,359	\$ 2,838,560	\$ 2,905,954	\$ 3,300,595	\$ 394,641	13.58%
Greenfield	\$ 2,358,123	\$ 2,419,147	\$ 2,713,545	\$ 2,661,678	\$ (51,867)	-1.91%
Hancock	\$ 3,174,970	\$ 3,609,652	\$ 3,548,505	\$ 3,878,607	\$ 330,102	9.30%
Peterborough	\$ 10,249,362	\$ 11,373,973	\$ 11,686,901	\$ 12,575,878	\$ 888,977	7.61%
Sharon	\$ 670,396	\$ 715,508	\$ 796,110	\$ 850,891	\$ 54,781	6.88%
Temple	\$ 2,185,309	\$ 2,314,721	\$ 2,315,787	\$ 2,625,151	\$ 309,364	13.36%
CONVAL Total	\$ 28,423,720	\$ 31,782,242	\$ 32,721,697	\$ 35,327,666	\$ 2,605,969	7.96%

Table 3 – Local Property Tax Assessment by Town

Property Tax Bills

Each of the nine towns in the ConVal school district issues two tax bills every year. In July, the preliminary tax bill is issued and in December the final tax bill is issued. The preliminary tax bill is based on the previous year tax rates whereas the final December bill uses approved rates.

Table 4 shows the approved tax rates included in current property tax bills. “Local Education” is the Conval School District tax rate.

2020 Tax Rates							
Town	State Education	Local Education	Total Education	Municipal	County	Total Rate	\$200k Home
Antrim	\$ 2.05	\$ 14.80	\$ 16.85	\$ 10.57	\$ 1.13	\$ 28.55	\$ 5,710
Bennington	\$ 1.86	\$ 15.52	\$ 17.38	\$ 10.99	\$ 1.02	\$ 29.39	\$ 5,878
Dublin	\$ 1.92	\$ 13.40	\$ 15.32	\$ 5.81	\$ 3.50	\$ 24.63	\$ 4,926
Francestown	\$ 1.83	\$ 15.15	\$ 16.98	\$ 7.86	\$ 1.02	\$ 25.86	\$ 5,172
Greenfield	\$ 1.96	\$ 15.63	\$ 17.59	\$ 8.50	\$ 1.06	\$ 27.15	\$ 5,430
Hancock	\$ 2.01	\$ 15.47	\$ 17.48	\$ 7.60	\$ 1.14	\$ 26.22	\$ 5,244
Peterborough	\$ 2.04	\$ 17.74	\$ 19.78	\$ 9.92	\$ 1.14	\$ 30.84	\$ 6,168
Sharon	\$ 1.76	\$ 14.80	\$ 16.56	\$ 5.09	\$ 0.95	\$ 22.60	\$ 4,520
Temple	\$ 1.81	\$ 16.09	\$ 17.90	\$ 5.25	\$ 1.01	\$ 24.16	\$ 4,832

Table 4 – District Property Tax Rates

Your tax bill uses the above tax rates and the assessed value of your home. The tax rates are expressed in \$ per thousand of assessed value. The table also includes a calculation of total property tax for a hypothetical \$200,000 home in each town. For example, the total annual property tax in Temple would be: $200 \times \$24.16 = \4832 .

Once this total annual tax for each property is determined, the final December bill can be calculated by deducting what was paid in July.

Why are Property Taxes so high?

Great question. We’ve walked you through the local education property tax calculation process. You can see that there are a lot of “moving parts” that can change from one year to the next.

In NH, property taxes are used to fund a higher percentage of the costs of education than most, if not all, states. Will that change? Hard to say – but there are ongoing discussions at the state level that might end up shifting some of the burden off local property taxes for some, or all, communities.

Note that the ConVal School District filed a lawsuit against the state of NH in March 2019 regarding the state’s failure to meet its constitutional requirement to fund an “adequate education”. The current “Adequacy Grant” is deemed inadequate (well below the actual cost per student). The state Supreme Court ruling is expected soon – possibly by March. Stay tuned!!

The next few articles in this series will be focused on the School Budget for FY21-22 (vote March 9th).