

HB 608-FN-A-LOCAL - AS INTRODUCED

2021 SESSION

21-0076

06/04

HOUSE BILL ***608-FN-A-LOCAL***

AN ACT relative to the formula for determining funding for an adequate education.

SPONSORS: Rep. Steven Smith, Sull. 11; Rep. Ladd, Graf. 4; Rep. Aron, Sull. 7; Rep. Rollins, Sull. 6; Rep. Potucek, Rock. 6; Rep. Spilsbury, Sull. 8

COMMITTEE: Education

ANALYSIS

This bill increases the base per pupil cost for an adequate education; increases differentiated aid available to eligible pupils; establishes fiscal capacity disparity aid to municipalities based on equalized valuation per pupil; requires school districts to report on the use of adequate education grant funds; amends the law governing transportation of pupils in kindergarten through grade 12; and repeals stabilization grants to municipalities.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears ~~[in brackets and struckthrough]~~
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty One

AN ACT relative to the formula for determining funding for an adequate education.

Be it Enacted by the Senate and House of Representatives in General Court convened:

- 1 1 Application of Receipts; Excess Education Tax. Amend RSA 6:12, I(b)(65) to read as follows:
2 (65) Money received under RSA 77-A, RSA 77-E, RSA 78, RSA 78-A, RSA 78-B, RSA
3 83-F, ***RSA 198:42-a***, RSA 284:44 and RSA 284:47, and from the sweepstakes fund, which shall be
4 credited to the education trust fund under RSA 198:39.
- 5 2 Assessment; Commissioner's Warrant. Amend RSA 76:8, II to read as follows:
6 II. The commissioner shall issue a warrant under the commissioner's hand and official seal
7 for the amount computed in paragraph I to the selectmen or assessors of each municipality by
8 December 15 directing them to assess such sum and pay it to the municipality for the use of the
9 school district or districts, ***and if there is an excess education tax payment due pursuant to***
10 ***RSA 198:42-a, directing them to assess the amount of the excess payment and pay it to the***
11 ***department of revenue administration for deposit in the education trust fund.*** Such sums
12 shall be assessed at such times as may be prescribed for other taxes assessed by such selectmen or
13 assessors of the municipality.
- 14 3 RSA 198:39, I(g) is repealed and reenacted to read as follows:
15 (g) The full amount of excess education property tax payments from the department of
16 revenue administration pursuant to RSA 198:42-a.
- 17 4 Cost of an Opportunity for an Adequate Education. Amend RSA 198:40-a to read as follows:
18 I. For the biennium beginning July 1, ~~[2015]~~ ***2023***, the annual cost of providing the
19 opportunity for an adequate education as defined in RSA 193-E:2-a shall be as specified in
20 paragraph II. The department shall adjust the rates specified in this paragraph in accordance with
21 RSA 198:40-d.
22 II.(a) A cost of ~~[\$3,561.27]~~ ***\$3,709*** per pupil in the ADMA, plus differentiated aid as follows:
23 (b) An additional ~~[\$1,780.63]~~ ***\$1,854*** for each pupil in the ADMA who is eligible for a free
24 or reduced price meal, ***plus an additional amount as follows:***
25 ***(1) An additional \$927 multiplied by the ADMA, in a school district in which***
26 ***at least 12 percent but less than 24 percent of the ADMA is eligible to receive a free or***
27 ***reduced-price meal; or***
28 ***(2) An additional \$1,854 multiplied by the ADMA, in a school district in***
29 ***which at least 24 percent but less than 36 percent of the ADMA is eligible to receive a free***
30 ***or reduced-price meal; or***

(3) *An additional \$2,781 multiplied by the ADMA, in a school district in which at least 36 percent but less than 48 percent of the ADMA is eligible to receive a free or reduced-price meal; or*

(4) *An additional \$3,709 multiplied by the ADMA, in a school district in which 48 percent or more of the ADMA is eligible to receive a free or reduced-price meal;*
plus

(c) An additional [~~\$697.77~~] **\$726** for each pupil in the ADMA who is an English language learner; plus

(d) An additional [~~\$1,915.86~~] **\$1,995** for each pupil in the ADMA who is receiving special education services; plus

(e) An additional [~~\$697.77~~] **\$726** for each third grade pupil in the ADMA with a score below the proficient level on the reading component of the state assessment administered pursuant to RSA 193-C:6 or the authorized, locally-administered assessment as provided in RSA 193-C:3, IV(i), provided the pupil is not eligible to receive differentiated aid pursuant to subparagraphs (b)-(d). A school district receiving aid under this subparagraph shall annually provide to the department of education documentation demonstrating that the district has implemented an instructional program to improve non-proficient pupil reading.

III. The sum total calculated under paragraph II shall be the cost of an ***opportunity for an adequate education***. The department shall determine the cost of an ***opportunity for an adequate education*** for each municipality based on the ADMA of pupils who reside in that municipality.

5 School Money; Accountability for Use of Adequate Education Aid; Fiscal Capacity Disparity Aid. RSA 198:40-b and 198:40-c are repealed and reenacted to read as follows:

198:40-b Accountability for Use of Adequate Education Aid.

I. A school district which receives adequate education aid under RSA 198:40-a for schools within its jurisdiction shall separately account for such aid as part of its financial accounting procedures. Such aid shall only be used to provide enhanced programs in schools within its jurisdiction for which such aid has been allocated that are known to improve pupil achievement, including but not limited to: pre-kindergarten programs, full-day kindergarten programs, extended learning time, professional development opportunities for teachers, hiring of additional instructional and non-instructional personnel, programs designed to reduce class size, parental involvement programs, additional technology resources, dropout prevention programs, principal incentive programs, and curriculum enrichment programs. The school district shall determine which programs are most needed and most appropriate for their pupils. The department shall annually review and update the list of approved programs from which a school district may choose.

II. A school district which receives adequate education aid under RSA 198:40-a for use in schools within its jurisdiction shall annually submit a report to the commissioner documenting for each school within its jurisdiction for which such aid has been allocated, the enhanced programs

1 selected for implementation, an explanation of the specific educational needs which the program is
2 intended to address, an explanation of how the program will be implemented in the school, and an
3 estimate of the cost of implementing the program. The commissioner shall review these reports to
4 ensure that adequate education aid will be used to provide programs approved under paragraph I.

5 III. A school district which receives adequate education aid for schools within its jurisdiction
6 pursuant to RSA 198:40-a shall direct such aid to the schools for which such aid was calculated. A
7 school district which receives adequate education aid for pupils that attend schools in another school
8 district, shall direct such aid to the school district where its pupils are being educated. Any
9 adequate education aid directed from one school district to another pursuant to this paragraph shall
10 be a credit against any existing financial liability between the school districts.

11 198:40-c Fiscal Capacity Disparity Aid.

12 I. In addition to aid for the cost of the opportunity for an adequate education provided under
13 RSA 198:40-a, each biennium the commissioner shall calculate fiscal capacity disparity aid and
14 provide that amount of aid in each year of the biennium to a municipality's school districts and to
15 chartered public schools approved under RSA 194-B as follows:

16 (a) A municipality with an equalized valuation per pupil of \$660,000 or less shall receive
17 \$1,500 per pupil in the municipality's ADMA.

18 (b) A municipality with an equalized valuation per pupil between \$660,001 and \$999,999
19 shall receive .0044 cents per pupil in the municipality's ADMA per dollar of equalized valuation per
20 pupil between \$660,001 and \$999,999.

21 (c) A municipality with an equalized valuation per pupil of \$1,000,000 or more shall
22 receive no fiscal capacity disparity aid.

23 II. Fiscal capacity disparity aid shall be distributed pursuant to RSA 198:42.

24 III. In this section, "equalized valuation per pupil" means a municipality's equalized
25 valuation, including properties subject to taxation under RSA 82 and RSA 83-F, as determined by
26 the department of revenue administration, that was the basis for the local tax assessment in the
27 determination year, divided by the school district's kindergarten through grade 12 ADMA in the
28 determination year.

29 6 Determination of Adequate Education Grants. RSA 198:41, I(c) is repealed and reenacted to
30 read as follows:

31 (c) Add the municipality's fiscal capacity disparity aid pursuant to RSA 198:40-c.

32 7 Determination of Education Grants. RSA 198:41, III is repealed and reenacted to read as
33 follows:

34 III.(a) No municipality shall receive a total education grant which is less than the total
35 education grant received in the preceding fiscal year.

HB 608-FN-A-LOCAL - AS INTRODUCED

- Page 4 -

1 (b) The additional amount of a municipality's free and reduced-price meal aid calculated
2 pursuant to subparagraphs (1)-(4) only in RSA 198:40-a, II(b), shall not be more than 101.5 percent
3 of the municipality's free and reduced-price meals aid received in the previous fiscal year.

4 (c) A municipality's fiscal capacity disparity aid pursuant to RSA 198:40-c shall not be
5 more than 101.5 percent of the municipality's fiscal capacity disparity aid received in the previous
6 fiscal year.

7 8 New Section; Excess Education Property Tax Payments. Amend RSA 198 by inserting after
8 section 42 the following new section:

9 198:42-a Excess Education Property Tax Payments.

10 I. The commissioner of the department of revenue administration shall annually calculate a
11 municipality's excess education tax pursuant to RSA 198:41 and shall notify each municipality of the
12 amount of its excess. A municipality shall remit any excess education tax revenue to the department
13 of revenue administration on or before March 15 of the tax year in which the excess occurs. The
14 commissioner shall collect and remit the excess to the state treasurer for deposit in the education
15 trust fund established by RSA 198:39.

16 II. The amount of such excess to be remitted shall not include any income derived from the
17 investment of funds by the municipal treasurers under RSA 41:29 and RSA 48:16.

18 III. The commissioner shall approve and provide forms relative to the reporting and
19 remitting of excess education tax by the municipalities.

20 9 Effective Date. This act shall take effect July 1, 2021.

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1/13/21

**HB 608-FN-A-LOCAL- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to the formula for determining funding for an adequate education.

FISCAL IMPACT:

The Office of Legislative Budget Assistant is unable to complete a fiscal note for this bill, as introduced, as it is awaiting information from the Department of Education. When completed, the fiscal note will be forwarded to the House Clerk's Office.

AGENCIES CONTACTED:

Department of Education