

HB 623-FN-LOCAL - AS INTRODUCED

2021 SESSION

21-0380

06/04

HOUSE BILL                    ***623-FN-LOCAL***

AN ACT                    relative to education funding.

SPONSORS:            Rep. Luneau, Merr. 10

COMMITTEE:          Finance

---

ANALYSIS

This bill provides that education grants to municipalities in 2022 and 2023 will not be less than the prior year's grant.

-----

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                         Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 education funding.

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

1            1 New Subparagraph; Determination of Education Grants. Amend RSA 198:41, IV by inserting  
2 after subparagraph (d) the following new subparagraph:

3                      (e) For fiscal years 2022 and 2023, the total education grant to each municipality shall  
4 not be less than the amount of such grant in the prior year.

5            2 Adequate Education Grants for Kindergarten. Amend 2020, 38:37, VI to read as follows:

6                      VI. ***Section 2 of this act shall take effect July 1, 2019.***

7                      VII. The remainder of this act shall take effect upon its passage.

8            3 Effective Date. This act shall take effect 60 days after its passage.

**HB 623-FN-LOCAL- FISCAL NOTE**  
**AS INTRODUCED**

AN ACT relative to education funding.

**FISCAL IMPACT:**    ☒ State                    ☐ County                    ☒ Local                    ☐ None

STATE:	Estimated Increase / (Decrease)			
	FY 2021	FY 2022	FY 2023	FY 2024
<b>Appropriation</b>	\$0	\$0	\$0	\$0
<b>Revenue</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	See Methodology Section 2	\$90,856,172	\$90,856,172	\$0
<b>Funding Source:</b>	<input type="checkbox"/> General	<input checked="" type="checkbox"/> Education	<input type="checkbox"/> Highway	<input type="checkbox"/> Other

**LOCAL:**

<b>Revenue</b>	See Methodology Section 2	\$90,856,172	\$90,856,172	\$0
<b>Expenditures</b>	\$0	\$0	\$0	\$0

**METHODOLOGY:**

This bill seeks to make two changes relative to education funding. First, section 1 of this bill provides that total education grants calculated pursuant to RSA 198:41 in FY 2022 and FY 2023, shall be no less than the amount of the such grants in FY 2021. Second, section 2 of this bill attempts to provided kindergarten “start-up” grants for districts with full-day kindergarten programs commencing in FY 2020 and FY 2021. Both provisions are discussed below.

Section 1 (FY 2022 / FY 2023 Total Education Grant)

Based on most recently available enrollment data, and assuming flat enrollments from FY 2022 to FY 2023, estimated total education grants under current law is as follows:

<b>CURRENT LAW</b>	<b>FY 2021 Revised Estimate 10-01-20</b>	<b>FY 2022 Preliminary Estimate 11-15-20</b>	<b>FY 2023 Enrollment Assumed at FY 2022 Level</b>
Statewide Education Property Tax (SWEPT)*	\$363,068,238	\$363,283,230	\$363,283,230
Calculated Grant	\$649,429,577	\$559,383,315	\$559,383,315
<b>Total Education Grant</b>	<b>\$1,012,497,815</b>	<b>\$922,666,545</b>	<b>\$922,666,545</b>

\*SWEPT is collected and retained locally

Using most recent enrollment data (FY 2022 preliminary estimates), section 1 of this bill would increase state education trust fund expenditures and local revenue by \$90,856,172 in each FY

2022 and FY 2023 (\$181,712,344 for the biennium). There will be no impact in FY 2024 or beyond.

<b><i>PROPOSED</i></b>	<b>FY 2022 <i>Preliminary Estimate 11-15-20</i></b>	<b>FY 2023 <i>Enrollment Assumed at FY 2022 Level</i></b>
Statewide Education Property Tax (SWEPT)*	\$363,283,230	\$363,283,230
Calculated Grant	\$650,239,486	\$650,239,486
<b>Total Education Grant</b>	<b>\$1,013,522,717</b>	<b>\$1,013,522,717</b>
<b>Increase From Current Law</b>	<b>\$90,856,172</b>	<b>\$90,856,172</b>

Section 2 (FY 2020 / FY 2021 Kindergarten “Start-Up” Grants)

Section 2 of this bill attempts to change the effective date of kindergarten “start-up” grants to allow for the Department of Education to make payments to districts who started full-time programs in FY 2020 and FY 2021. Below is an estimate of the payments:

<b>FY 2020 First Year Programs</b>		
<b>District</b>	<b>First Day Count</b>	<b>Aid Amount</b>
Chester	47	\$87,156
Salem	228	\$422,801
Windham	178	\$330,082
<b>TOTAL</b>		<b>\$840,039</b>

<b>FY 2021 First Year Programs</b>		
<b>District</b>	<b>First Day Count</b>	<b>Aid Amount</b>
Brookline	71	\$131,662
Derry	275	\$509,957
Epsom	33	\$61,195
Hooksett	19	\$35,233
Hudson	177	\$328,227
<b>TOTAL</b>		<b>\$1,066,274</b>

The Department of Education, however, has determined that grants as defined in RSA 198:48-b, regardless of the effective date of this statute, cannot be expended without appropriation authority, which is not included in this bill.

**AGENCIES CONTACTED:**

Department of Education