

SB 181-FN-LOCAL – AS INTRODUCED

2011 SESSION

11-0196

04/10

SENATE BILL

181-FN-LOCAL

AN ACT

relative to distribution of funds for education.

SPONSORS:

Sen. Bradley, Dist 3; Sen. Gallus, Dist 1; Sen. Odell, Dist 8; Sen. Carson, Dist 14; Sen. Boutin, Dist 16; Sen. Barnes, Jr., Dist 17; Sen. Forsythe, Dist 4; Sen. Stiles, Dist 24; Sen. Forrester, Dist 2; Sen. Sanborn, Dist 7; Sen. White, Dist 9; Sen. Luther, Dist 12; Sen. De Blois, Dist 18; Sen. Rausch, Dist 19; Rep. Chandler, Carr 1; Rep. Bettencourt, Rock 4; Rep. O'Brien, Hills 4; Rep. Tucker, Rock 17; Rep. Ahlgren, Carr 4

COMMITTEE:

Finance

ANALYSIS

This bill extends the provisions for determining the total state aid for education and excess tax payments through the fiscal year ending June 30, 2015.

Explanation:

Matter added to current law appears in ***bold italics***.

Matter removed from current law appears [~~in brackets and struck through.~~]

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to distribution of funds for education.

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

1 1 School Money; Determination of Grants. Amend RSA 198:41, III to read as follows:

2 III. For the fiscal years beginning July 1, 2009 [~~and~~] **through** July 1, [~~2010~~] **2014**, the
3 department of education shall not:

4 (a) Distribute a total education grant on behalf of all pupils who reside in a municipality
5 that exceeds that municipality's total education grant for the 2009 fiscal year by more than 15
6 percent; or

7 (b) Reduce the total state aid for an adequate education provided on behalf of all pupils
8 who reside in a municipality to an amount less than that municipality's total state aid for an
9 adequate education received in the 2009 fiscal year.

10 2 Excess Education Tax Payment. Amend RSA 198:46, I to read as follows:

11 I. A municipality in which education property tax revenue collected exceeds the amount
12 necessary to fund the cost of an adequate education in a fiscal year, as determined in RSA 198:40-a,
13 shall collect and remit such excess to the department of revenue administration on or before March
14 15 of the tax year in which the excess occurs. For fiscal years 2010 [~~and 2011~~] **through 2015**, the
15 version of RSA 198:41, II effective for the fiscal year ending June 30, 2009 shall be used to determine
16 excess.

17 3 Effective Date of Prospective Repeal. Amend 2008, 173:18 to read as follows:

18 173:18 Effective Date.

19 I. Paragraphs I and II of section 17 of this act shall take effect June 30, 2009.

20 II. Section 8 [~~and paragraph III of section 17~~] of this act shall take effect July 1, 2011.

21 III. **Paragraph III of section 17 of this act shall take effect July 1, 2015.**

22 IV. The remainder of this act shall take effect July 1, 2009.

23 4 Effective Date. This act shall take effect June 30, 2011.

LBAO
11-0196
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SB 181-FN-LOCAL - FISCAL NOTE

AN ACT relative to distribution of funds for education.

FISCAL IMPACT:

The Department of Education states this bill will decrease state expenditures and local revenue by \$72,395,001 in FY 2012 through FY 2015. There will be no fiscal impact on state and county revenue, or county and local expenditures.

METHODOLOGY:

The Department of Education states this bill extends the provisions governing the amounts distributed as total education grants to municipalities through FY 2015. The provisions include capping a municipality's total education grant in FY 2012 through 2015 at 115% of the FY 2009 level, and ensuring that no municipality will experience a reduction in total state aid for an adequate education below the FY 2009 level in those years. The Department assumes Average Daily Membership (ADM) is calculated based upon the student level End of Year (EOY) submissions provided by each school; Special Education (SPED) status is determined based upon the i4see (Initiative for School Empowerment and Excellence) EOY and Special Education submissions; English Language Learner (ELL) status is determined based upon the ELL collection, Fall 2008. All students receiving services are included; Free and Reduced Lunch (F&R) status is determined based upon the F&R collection, Fall 2008. All students receiving Free Milk, Reduced Meal or Free Meals are included. Students reported as F&R and in a school on Oct 1st are included; ADM for SPED, ELL and F&R include all ADM for students identified in any of these categories as student moves from school to school; FY09 School F/R concentrations are based upon student ADM for F&R students. These concentrations exclude kindergarten students; the 1999 median family income figures published by the Census are the most current town level information; and the change in the per pupil adequacy rates has been estimated as one times the average annual change in the Northeast Urban Consumer Price Index (NE CPI) without medical from 2006 to 2009, 2.6%.

The Department states the rates for F&R, SPED and LEP were based upon the FY 10/11 rates with increases based upon the average CPI (2.6%) as follows:

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FY 2012-2015
Per Pupil Rates

Base Adequacy	\$3,540
Free and Reduced Lunch-	
(A) F&R if school is under 12 percent; then only eligible student (proportion of ADM) receive this amount	\$442
(B) F&R for all students if school is 12-23.99%	\$885
(C) F&R for all students if school is 24-35.99%	\$1,770
(D) F&R for all students if school is 36-47.99%	\$2,655
(E) F&R for all students if school is 49% or greater concentration	\$3,540
Limited English Proficient (LEP)	
For each LEP ADM	\$693
Special Education (SPED)	
For each SPED ADM	\$1,904

The Department states excess State-Wide Education Property Tax (SWEPT) revenue must be retained by the State in the Education Trust Fund (ETF) and will not be returned to the municipality. The estimated annual fiscal impact for FY 2012 through FY 2015 is as follows –

SWEPT Revenue

	Current Law	LSR 11-0196.0	Difference
	(Annual)	(Annual)	(Annual)
SWEPT retained by towns	\$346,143,646	\$360,494,788	\$14,351,142
Excess SWEPT Sent to ETF	\$16,977,637	\$2,626,495	\$(14,351,142)
<hr/> Total SWEPT Revenue	\$363,121,283	\$363,121,283	\$0

Expenditures (Total State Education Aid)

Net SWEPT retained by Town	\$346,143,646	\$360,494,788	\$14,351,142
Transition/Adequacy Grants	\$664,835,883	\$578,089,740	\$(86,746,143)
<hr/> Total State Education Aid	\$1,010,979,530	\$938,584,528	\$(72,395,001)