

HB 344-FN-LOCAL – AS INTRODUCED

2013 SESSION

13-0813  
04/03

HOUSE BILL            ***344-FN-LOCAL***

AN ACT                relative to aid to school districts for the cost of special education.

SPONSORS:            Rep. Ladd, Graf 4; Rep. Gile, Merr 27; Rep. Shaw, Hills 16

COMMITTEE:          Education

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ANALYSIS

This bill removes the requirement that catastrophic special education funds be prorated among the school districts entitled to such aid and requires that disbursements for special education to a school district shall be at least 80 percent of the district's entitlement for catastrophic aid costs in the fiscal year.

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                                Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to aid to school districts for the cost of special education.

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

1 1 Special Education; State Aid. Amend RSA 186-C:18, III(a)-(b) to read as follows:

2 III.(a) The state board of education through the commissioner, department of education,  
3 shall distribute aid available under this paragraph as entitlement to such school districts as have a  
4 special education pupil for whose costs they are responsible, for whom the costs of special education  
5 in the fiscal year exceed 3 1/2 times the estimated state average expenditure per pupil for the school  
6 year preceding the year of distribution. ~~[If in any year, the amount appropriated for distribution as  
7 catastrophic special education 186-C:18 aid in accordance with this section is insufficient therefor,  
8 the appropriation shall be prorated proportionally based on entitlement among the districts entitled  
9 to a grant.]~~ If there are unexpended funds appropriated under this paragraph at the end of any  
10 fiscal year, such funds shall be distributed for court-ordered placements under RSA 186-C:19-b. The  
11 state may designate up to \$250,000 of the funds which are appropriated as required by this  
12 paragraph, for each fiscal year, to assist those school districts which, under guidelines established by  
13 rules of the state board of education, may qualify for emergency assistance for special education  
14 costs. Upon application to the commissioner of education, and approval by the commissioner, such  
15 funds may be accepted and expended by school districts in accordance with this chapter; provided,  
16 however, that if a school district has received emergency assistance funds for certain children with  
17 disabilities, it shall not receive catastrophic special education aid for those same children with  
18 disabilities. If any of the funds designated for emergency assistance under this paragraph are not  
19 used for such emergency assistance purposes, the funds shall be used to assist school districts in  
20 meeting catastrophic cost increases in their special education programs as provided by this  
21 paragraph.

22 (b) The school district shall be liable for 3- 1/2 times the estimated state average  
23 expenditure per pupil for the school year preceding the year of distribution, plus 20 percent of the  
24 additional cost, up to 10 times the estimated state average expenditure per pupil for the school year  
25 preceding the year of distribution. ***The department of education shall distribute to the school  
26 district not less than 80 percent of the district's entitlement for catastrophic aid costs in  
27 the fiscal year***

28 2 Effective Date. This act shall take effect 60 days after its passage.

**HB 344 FISCAL NOTE**

AN ACT                    relative to aid to school districts for the cost of special education.

**FISCAL IMPACT:**

The Department of Education states this bill, **as introduced**, may increase state expenditures and local revenue by an indeterminable amount in FY 2014 and each year thereafter. There will be no impact on state and county revenue, or local and county expenditures.

**METHODOLOGY:**

The Department of Education states this bill removes the requirement that catastrophic special education aid be prorated among school districts entitled to such aid, and requires the Department to distribute to school districts at least 80 percent of each district's special education costs in the fiscal year. Currently, as required by RSA 186-C:18, III(a), the Department reduces the total amount of catastrophic aid returned to school districts to the amount appropriated in the budget. The Department states that during FY 2013, it distributed \$21,537,305 in catastrophic aid to school districts, which amounted to 71.8 percent of the amount to which districts were entitled under the catastrophic aid formula. The Department states that had the 80 percent floor been in place in FY 2013, it would have distributed \$23,998,334, or an increase of \$2,461,029 above what it actually distributed to districts. This number is for illustrative purposes only; the Department states that because the amount of each year's catastrophic aid can only be determined after the Department has reviewed invoices submitted by districts, it is unable to determine the precise increase in expenditures, if any, that will result from the bill. Any increase in state expenditures will increase local revenue by the same amount.