

SB 228-FN-LOCAL - AS INTRODUCED

2015 SESSION

15-0963
04/05

SENATE BILL ***228-FN-LOCAL***

AN ACT relative to the maximum total education grant, adjustment of stabilization grants, and adequate education funding for full-day kindergarten pupils.

SPONSORS: Sen. Watters, Dist 4; Sen. Stiles, Dist 24; Sen. Feltes, Dist 15; Sen. Boutin, Dist 16; Rep. Bates, Rock 7; Rep. Cheney, Straf 17; Rep. Verschueren, Straf 13; Rep. Gile, Merr 27

COMMITTEE: Education

ANALYSIS

This bill:

I. Increases the amount of the total education grant which could be distributed to a municipality.

II. Repeals the limit on total education grants distributed to municipalities effective July 1, 2016.

III. Increases funding for pupils attending full-day kindergarten programs.

IV. Reduces stabilization grants to municipalities which have less than the state average number of pupils receiving a free or reduced price lunch.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Fifteen

AN ACT relative to the maximum total education grant, adjustment of stabilization grants,
and adequate education funding for full-day kindergarten pupils.

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

- 1 1 Adequate Education; Determination of Grants. Amend RSA 198:41, III(b) to read as follows:
2 (b) Beginning July 1, 2013, and each fiscal year thereafter, the department of education
3 shall not distribute a total education grant on behalf of all pupils who reside in a municipality that
4 exceeds ~~[408]~~ **115** percent of the total education grant distributed to such municipality in the
5 previous fiscal year.
- 6 2 Adequate Education; Determination of Grants. Amend RSA 198:41, IV(c) to read as follows:
7 (c) For fiscal year 2014, and each fiscal year thereafter, the department of education
8 shall distribute a total education grant to each municipality in an amount equal to the total
9 education grant for the fiscal year in which the grant is calculated plus the amount of the fiscal year
10 2012 stabilization grant~~[- if any, distributed to the municipality]~~, ***provided that the amount of the***
11 ***fiscal year 2012 stabilization grant shall be multiplied by 0.95 for each fiscal year in which***
12 ***the number of pupils in a municipality receiving a free or reduced price lunch is less than***
13 ***the state average number of pupils receiving a free or reduced price lunch.***
- 14 3 Adequate Education; Definitions. Amend RSA 198:38, I to read as follows:
15 I. “Average daily membership in attendance” or “ADMA” means the average daily
16 membership in attendance of pupils in kindergarten through grade 12, as defined in RSA 189:1-d, III
17 of the school year in which the calculation is made~~[- provided that no kindergarten pupil shall count~~
18 ~~as more than 1/2 day attendance per calendar year]~~.
- 19 4 Repeal. RSA 198:41, III(b), relative to the maximum total education grant, is repealed.
20 5 Effective Date.
21 I. Sections 2-4 of this act shall take effect July 1, 2016.
22 II. The remainder of this act shall take effect July 1, 2015.

SB 228-FN-LOCAL FISCAL NOTE

AN ACT relative to the maximum total education grant, adjustment of stabilization grants, and adequate education funding for full-day kindergarten pupils.

FISCAL IMPACT:

The Department of Education states this bill, **as introduced**, will increase state education trust fund expenditures and local revenues by \$2,105,715 in FY 2016 and by an indeterminable amount in FY 2017 and each year thereafter. There will be no impact on state and county revenues, or county and local expenditures.

METHODOLOGY:

The Department of Education states this bill makes the following changes relative to adequate education grants:

- Effective in FY 2016 - Increases the limit on total education grants from 108% to 115% of previous year’s total education grant to a municipality (section 1);
- Effective in FY 2017 -
 - Reduces the “FY 2012 stabilization grant” by 5% for each municipality that have less than the state average of pupils receiving free or reduced price lunch (section 2);
 - Changing the definition of average daily membership in attendance (ADMA), used in calculating adequate education grants, to include kindergarten pupils as full-day students, (section 3); and
 - Eliminates the limitation on total education grants to municipalities (section 4).

The Department of Education states actual enrollment data for FY 2016 will not be available until September 2015, however, using preliminary student data estimates the potential impact in FY 2016 as follows -

FY 2016 Estimate			
	Current Law	Proposed	Increase
Adequate Education Grants	\$568,578,076	\$570,683,794	\$2,105,715
Statewide Education Property Tax	\$363,137,923	\$363,137,923	\$0
Total Cost	\$931,715,999	\$933,821,717	\$2,105,715

The Department states preliminary FY 2016 student data used as preliminary data for FY 2017 grant calculations will not be available until November 2015, and actual data will not be

available until September 2016. However, using preliminary student data, and assuming the state average for pupils receiving and free and reduced lunch at 28.3% of total pupils, estimates the potential impact in FY 2017 as follows -

FY 2017 Estimate			
	Current Law	Proposed	Increase
Adequate Education Grants	\$568,578,076	\$593,712,292	\$25,134,216
Statewide Education Property Tax	\$363,137,923	\$363,137,923	\$0
Total Cost	\$931,715,999	\$956,850,215	\$25,134,216

The Department of Education is unable to provide estimates for FY 2018 and each year thereafter.

Additionally, the Department states this bill would increase aid to public charter schools by an indeterminable amount as the change in FY 2017 to include full-time kindergarten pupils as full-day pupils would affect payments made to public charter schools offering full-day kindergarten.