

HB 1583-FN-A - AS INTRODUCED

2024 SESSION

24-2209

02/10

HOUSE BILL ***1583-FN-A***

AN ACT relative to the per pupil cost of an opportunity for an adequate education.

SPONSORS: Rep. Wheeler, Hills. 33; Rep. H. Howard, Straf. 4; Rep. Selig, Straf. 10; Rep.
Kenney, Straf. 10

COMMITTEE: Education

ANALYSIS

This bill increases the base annual cost of providing an opportunity for an adequate education.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to the per pupil cost of an opportunity for an adequate education.

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

1 1 Cost of an Opportunity for an Adequate Education. Amend RSA 198:40-a, I and II(a) to read
2 as follows:

3 I. For the biennium beginning July 1, [~~2023~~] **2024**, the annual cost of providing the
4 opportunity for an adequate education as defined in RSA 193-E:2-a shall be as specified in
5 paragraph II. The department shall adjust the rates specified in this paragraph in accordance with
6 RSA 198:40-d.

7 II.(a) A cost of [~~\$4,100~~] **\$10,000** per pupil in the ADMR, plus differentiated aid as follows:

8 2 Effective Date. This act shall take effect July 1, 2024.

LBA
24-2209
12/10/23

HB 1583-FN-A- FISCAL NOTE
AS INTRODUCED

AN ACT relative to the per pupil cost of an opportunity for an adequate education.

FISCAL IMPACT: ☒ State ☐ County ☒ Local ☐ None

Estimated State Impact - Increase / (Decrease)						
	FY 2024	FY 2025	FY 2026	FY 2027		
Revenue	\$0	\$0	\$0	\$0		
Revenue Fund(s)	None					
Expenditures	\$0	\$811,358,835	Indeterminable Increase - Likely \$800+ Million Per Year			
Funding Source(s)	Education Trust Fund, General Fund, Revenue Stabilization Reserve Account					
Appropriations	\$0	See Methodology Below				
Funding Source(s)	Education Trust Fund					

- Does this bill provide sufficient funding to cover estimated expenditures? ☒ See Below
- Does this bill authorize new positions to implement this bill? ☒ N/A

Estimated Political Subdivision Impact - Increase / (Decrease)				
	FY 2024	FY 2025	FY 2026	FY 2027
Local Revenue	\$0	\$811,358,835	Indeterminable Increase - Likely \$800+ Million Per Year	
Local Expenditures	\$0	\$0	\$0	\$0

METHODOLOGY:

This bill, effective in FY 2025, would increase the base amount for the cost for an opportunity for an adequate education to \$10,000. There is a 2% annual adjustment applied to this per pupil grant and under current law, the amounts anticipated for FY 2025 through FY 2027 are \$4,182, \$4,265.64, and \$4350.95, respectively. Under this bill, those amounts would be \$10,000 in FY 2025, \$10,404 in FY 2026, and \$10,612.08 in FY 2027. Below is a summary on this bill's impact on state education trust fund expenditures and local revenue in FY 2025 (FY 2026 and beyond is indeterminable as data is not yet available):

	FY 2025 Total State Grant (Adequacy + Statewide Education Property Tax)
Current Law - Preliminary Estimates	\$1,054,673,961

As Proposed by this Bill	\$1,866,032,796
Increase / (Decrease)	\$811,358,835

Expenditures of this amount from the education trust fund would put the fund into deficit. In that case, a transfer from the general fund would be required to bring the education trust fund balance to zero (RSA 198:42, II). However, this amount is unlikely to be sufficiently covered by the general fund, to which a transfer from the revenue stabilization reserve account (“rainy day fund”) may be necessary at the close of the biennium ending June 30, 2025 (RSA 9:13-e, III). For informational purposes, legislative estimates derived during the 2023 session assumed the following fund balances at June 30, 2025 (to which the total of all would be insufficient to cover the cost of this bill):

Education Trust Fund:	\$232.3 million
General Fund:	\$0
Revenue Stabilization Reserve Account:	\$225.9 million
Total:	\$458.2 million

It should also be noted this bill refers to the biennium ending June 30, 2024, however, for state budgetary purposes, a biennium ends on odd numbered years.

AGENCIES CONTACTED:

Department of Education