

HB 577-FN-LOCAL - AS INTRODUCED

2023 SESSION

23-0405

10/04

HOUSE BILL            ***577-FN-LOCAL***

AN ACT                relative to state aid for special education pupils.

SPONSORS:            Rep. Moulton, Hills. 20; Rep. W. Thomas, Hills. 12; Rep. Damon, Sull. 8

COMMITTEE:          Education

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ANALYSIS

This bill changes the limit for school district liability for special education costs from 3-1/2 times the state average to 1-1/2 times.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to state aid for special education pupils.

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

1 1 Special Education; State Liability Increased. Amend RSA 186-C:18, III 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~~] *1-1/2* times the estimated state average expenditure per pupil for the  
6 school year preceding the year of distribution. If in any year, the amount appropriated for  
7 distribution as special education aid in accordance with this section is insufficient therefor, the  
8 appropriation shall be prorated proportionally based on entitlement among the districts entitled to a  
9 grant. If there are unexpended funds appropriated under this paragraph at the end of any fiscal  
10 year, such funds shall be distributed for court-ordered placements under RSA 186-C:19-b. The state  
11 may designate up to \$250,000 of the funds which are appropriated as required by this paragraph, for  
12 each fiscal year, to assist those school districts which, under guidelines established by rules of the  
13 state board of education, may qualify for emergency assistance to mitigate the impact of special  
14 education costs. The state may designate up to an additional \$250,000 of the funds which are  
15 appropriated under this paragraph for each fiscal year for any community of 1,000 or fewer residents  
16 to mitigate the impact of special education costs when emergency assistance is necessary to prevent  
17 significant financial harm to such district or community. Upon application to the commissioner of  
18 education, and approval by the commissioner, such funds may be accepted and expended by school  
19 districts in accordance with this chapter; provided, however, that if a school district has received  
20 emergency assistance funds for certain children with disabilities, it shall not receive special  
21 education aid for those same children with disabilities. If any of the funds designated for emergency  
22 assistance under this paragraph are not used for such emergency assistance purposes, the funds  
23 shall be used to assist school districts in meeting special education cost increases in their special  
24 education programs as provided by this paragraph.

25 (b) The school district shall be liable for [~~3-1/2~~] *1-1/2* times the estimated state average  
26 expenditure per pupil for the school year preceding the year of distribution, plus 20 percent of the  
27 additional cost, up to 10 times the estimated state average expenditure per pupil for the school year  
28 preceding the year of distribution.

29 (c) The department of education shall be liable for 80 percent of the cost above the [~~3-1/2~~]  
30 *1-1/2* times the estimated state average expenditure per pupil for the school year preceding the year  
31 of distribution, up to 10 times the estimated state average expenditure per pupil for the school year

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1 preceding the year of distribution. The department of education shall be liable for all costs in excess  
2 of 10 times the estimated state average expenditure per pupil for the school year preceding the year  
3 of distribution.

4 2 Special Education; Borrowing Costs; Department of Education. Amend RSA 186-C:18, VIII to  
5 read as follows:

6 VIII. A school district shall raise, appropriate and expend funds, reflecting the total cost in  
7 meeting special education student costs as provided under this section, including the school district  
8 and department of education liability. A school district may issue reimbursement anticipation notes  
9 as provided for in RSA 198:20-d to be redeemed upon receipt of reimbursement from the state. The  
10 department of education shall be liable for the cost of the school districts borrowing of any funds for  
11 special education student costs over [~~3-1/2~~] **1-1/2** times the estimated state average expenditure per  
12 pupil for the school year preceding the year of distribution.

13 3 Effective Date. This act shall take effect 60 days after its passage.

**HB 577-FN-LOCAL- FISCAL NOTE  
AS INTRODUCED**

AN ACT relative to state aid for special education pupils.

**FISCAL IMPACT:**     State             County             Local             None

STATE:	Estimated Increase / (Decrease)			
	FY 2023	FY 2024	FY 2025	FY 2026
<b>Appropriation</b>	\$0	\$0	\$0	\$0
<b>Revenue</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$0	Indeterminable	Indeterminable	Indeterminable
<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>	\$0	Indeterminable	Indeterminable	Indeterminable
<b>Expenditures</b>	\$0	\$0	\$0	\$0

**METHODOLOGY:**

This bill provides school districts with additional state aid by reducing the calculation threshold by which districts are responsible for paying the costs of special education from the current 3.5 times the estimated state average expenditure per pupil, down to 1.5 times. The 1.5 times would provide a lower threshold for which more students would qualify for special education aid, thus allowing districts to receive more money to offset the costs associated with special education. The Department of Education states this bill’s impact on state expenditures and local district revenue is indeterminable as the number of students that could qualify each year cannot be determined at this time. It should also be noted this program contains a statutory proration mechanism and total aid paid to districts is adjusted based on amounts appropriated (to be determined in the state operating budget).

**AGENCIES CONTACTED:**

Department of Education