HB 577-FN-LOCAL - AS INTRODUCED

2023 SESSION

HOUSE BILL 577-FN-LOCAL

AN ACT relative to state aid for special education pupils.


COMMITTEE: Education

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.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.
Special Education; State Liability Increased. Amend RSA 186-C:18, III to read as follows:

III.(a) The state board of education through the commissioner, department of education, shall distribute aid available under this paragraph as entitlement to such school districts as have a special education pupil for whose costs they are responsible, for whom the costs of special education in the fiscal year exceed \[\frac{3}{2} \times \frac{1}{2} \times \text{estimated state average expenditure per pupil for the school year preceding the year of distribution.} \]

If in any year, the amount appropriated for distribution as special education aid in accordance with this section is insufficient therefor, the appropriation shall be prorated proportionally based on entitlement among the districts entitled to a grant. If there are unexpended funds appropriated under this paragraph at the end of any fiscal year, such funds shall be distributed for court-ordered placements under RSA 186-C:19-b. The state may designate up to $250,000 of the funds which are appropriated as required by this paragraph, for each fiscal year, to assist those school districts which, under guidelines established by rules of the state board of education, may qualify for emergency assistance to mitigate the impact of special education costs. The state may designate up to an additional $250,000 of the funds which are appropriated under this paragraph for each fiscal year for any community of 1,000 or fewer residents to mitigate the impact of special education costs when emergency assistance is necessary to prevent significant financial harm to such district or community. Upon application to the commissioner of education, and approval by the commissioner, such funds may be accepted and expended by school districts in accordance with this chapter; provided, however, that if a school district has received emergency assistance funds for certain children with disabilities, it shall not receive special education aid for those same children with disabilities. If any of the funds designated for emergency assistance under this paragraph are not used for such emergency assistance purposes, the funds shall be used to assist school districts in meeting special education cost increases in their special education programs as provided by this paragraph.

(b) The school district shall be liable for \[\frac{3}{2} \times \frac{1}{2} \times \text{estimated state average expenditure per pupil for the school year preceding the year of distribution.} \]

plus 20 percent of the additional cost, up to 10 times the estimated state average expenditure per pupil for the school year preceding the year of distribution.

(c) The department of education shall be liable for 80 percent of the cost above the \[\frac{3}{2} \times \frac{1}{2} \times \text{estimated state average expenditure per pupil for the school year preceding the year of distribution.} \]
preceding the year of distribution. The department of education shall be liable for all costs in excess of 10 times the estimated state average expenditure per pupil for the school year preceding the year of distribution.

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

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

3 Effective Date. This act shall take effect 60 days after its passage.
AN ACT relative to state aid for special education pupils.

FISCAL IMPACT: [X] State [ ] County [X] Local [ ] None

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Funding Source: [ ] General [X] Education [ ] Highway [ ] Other

LOCAL:

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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