

HB 1656-FN-LOCAL - AS AMENDED BY THE HOUSE

22Feb2024... 0603h

2024 SESSION

24-2623

12/05

HOUSE BILL

***1656-FN-LOCAL***

AN ACT                    relative to adequate education grant amounts for pupils receiving special education services.

SPONSORS:            Rep. Kenney, Straf. 10; Rep. Morse, Graf. 9; Rep. Selig, Straf. 10; Rep. Horrigan, Straf. 10; Rep. A. Nutting-Wong, Hills. 9; Rep. Wheeler, Hills. 33; Rep. H. Howard, Straf. 4; Rep. Toll, Ches. 15; Sen. Watters, Dist 4; Sen. Altschiller, Dist 24

COMMITTEE:        Education

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AMENDED ANALYSIS

This bill provides for categories of special education services for application to the calculation of differentiated aid in adequate education grant amounts.

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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                         Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 adequate education grant amounts for pupils receiving special education services.

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

1            1   Cost of an Opportunity for an Adequate Education; Differentiated Aid; Special Education.  
2   RSA 198:40-a, II(d) is repealed and reenacted to read as follows:

3                    (d)(1)   An additional \$2,642 for each pupil in the ADMR who is receiving special  
4   education services with a category A disability, \$5,285 for each pupil in the ADMR who is receiving  
5   special education services with a category B disability, and \$7,927 for each pupil in the ADMR who  
6   is receiving special education services with a category C disability.

7                    (2)   For this subparagraph, "category A disability" applies to pupils receiving special  
8   education services inside regular class 80% or more of the day; "category B disability" applies to  
9   pupils receiving special education services inside regular class less than 40% of the day and inside  
10   regular class 40% through 79% of the day; and "category C disability" applies to pupils receiving  
11   special education services in separate schools, residential facilities, or homebound/hospital  
12   placements. Categories A, B, and C apply to pupils age 5 through 21.

13                    (3)   Beginning July 1, 2025, and each biennium thereafter, the annual additional cost  
14   for each pupil in the ADMR who is receiving special education services shall be calculated by  
15   applying an additional weight to the base cost of adequacy: Category A: additional weight of 0.6;  
16   Category B: additional weight of 1.2; and Category C: additional weight of 1.8.

17            2   Effective Date. This act shall take effect July 1, 2024.

**HB 1656-FN-LOCAL- FISCAL NOTE**  
AS AMENDED BY THE HOUSE (AMENDMENT #2024-0603h)

AN ACT                    relative to adequate education grant amounts for pupils receiving special education services.

**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	District Public Schools FY 2025 - Increase of Approximately \$13,000,000 FY 2026 and FY 2027 - Indeterminable Increase  Charter Public Schools / Education Freedom Accounts Indeterminable Increase		
Funding Source(s)	Education Trust Fund			
Appropriations	\$0	\$0	\$0	\$0
Funding Source(s)	None			

- Does this bill provide sufficient funding to cover estimated expenditures? ☒ N/A
- 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	FY 2025 - Increase of Approximately \$13,000,000 FY 2026 and FY 2027 - Indeterminable Increase		
Local Expenditures	\$0	\$0	\$0	\$0

**METHODOLOGY:**

This bill replaces the current special education differentiated aid flat rate of \$2,079.89 for each pupil in the ADMR (average daily membership – residence) who is receiving special education services with three categories of differential aid as follows:

- An additional \$2,642 for each pupil in the ADMR who is receiving special education services for less than 80 percent of the school day (category A disability);
- An additional \$5,285 for each pupil in the ADMR who is receiving special education services for 80 percent or more of the school day (category B disability);

- And an additional \$7,927 for each pupil in the ADMR who is receiving special education services in separate schools, residential facilities, or homebound/ hospital placements (category C disability).

The Department of Education notes the following with respect to deriving an estimated fiscal impact for this bill:

- The three disability categories are collected October 1 of each year.
  - The Department of Education states it would need to convert this snapshot data into average daily membership to pay adequacy. There is an approximate six-month lag of when the “point in time” counts are available from the Bureau of Special Education to the Bureau of School Finance. Therefore, annual November 15th estimates will not be able to use current school year “point in time” counts. This method is accomplished by using the “point in time counts” of each category as a percentage of each municipality's sum of all categories at that time. An example is that Town X has 10 students in category A and 5 students each in categories B and C. This would result in the town having 50% students as category A, 25% of students in category B, and 25% of students in category C. Student category percentages are then multiplied by actual special education ADMR.
  - Special education “point in time” counts are done in fall, therefore, the Bureau of School Finance wouldn’t have data on if a student shifts categories during the school year.
- The proposed section 198:40-a, II(d)(3) adds an additional cost per pupil in the ADMR by applying an additional weight per pupil receiving special education services shall begin July 1, 2025 (school year 2026) and therefore was not included in this analysis.

When incorporating this method to the FY2025 adequacy formula, and using the data below, a final state grant was determined to be \$1,067,622,800, an increase of \$12,948,839 when compared to the current law Final State Grant amount of \$1,054,673,961. It should be noted that this estimate does not consider chartered public schools nor education freedom accounts, which would have an indeterminable impact.

<b>Disability Category</b>	<b>ADMR</b>	<b>Per Pupil Aid</b>
A	28,383.29	\$2,642
B	2,152.10	\$5,285
C	405.44	\$7,927

#### **AGENCIES CONTACTED:**

Department of Education

