

Amendment to HB 2-FN-A-LOCAL

1 Amend the bill by replacing sections 146 through 150 with the following:

2

3 146 Cost of an Opportunity for an Adequate Education. Amend RSA 198:40-a to read as follows:

4 198:40-a Cost of an Opportunity for an Adequate Education.

5 I. For the biennium beginning July 1, ~~[2015]~~ **2023**, the annual cost of providing the
6 opportunity for an adequate education as defined in RSA 193-E:2-a shall be as specified in
7 paragraph II. The department shall adjust the rates specified in this paragraph in accordance with
8 RSA 198:40-d.

9 II.(a) A cost of ~~[\$3,561.27]~~ **\$4,100** per pupil in the ADMR, plus differentiated aid as follows:

10 (b) An additional ~~[\$1,780.63]~~ **\$2,300** for each pupil in the ADMR who is eligible for a free
11 or reduced price meal anytime during the determination year; plus

12 (c) An additional ~~[\$697.77]~~ **\$800** for each pupil in the ADMR who is an English language
13 learner anytime during the determination year; plus

14 (d) An additional ~~[\$1,915.86]~~ **\$2,100** for each pupil in the ADMR who is receiving special
15 education services anytime during the determination year[; plus

16 ~~(e) An additional \$697.77 for each third grade pupil in the ADMR with a score below the~~
17 ~~proficient level on the reading component of the state assessment administered pursuant to RSA~~
18 ~~193 C:6 or the authorized, locally administered assessment as provided in RSA 193 C:3, IV(i),~~
19 ~~provided the pupil is not eligible to receive differentiated aid pursuant to subparagraphs (b)-(d). A~~
20 ~~school district receiving aid under this subparagraph shall annually provide to the department of~~
21 ~~education documentation demonstrating that the district has implemented an instructional program~~
22 ~~to improve non-proficient pupil reading].~~

23 III. The sum total calculated under paragraph II shall be the cost of an adequate education.
24 The department shall determine the cost of an adequate education for each municipality based on
25 the ADMR of pupils who reside in that municipality.

26 147 Annual Adjustment; Relief Funding. RSA 198:40-d is repealed and reenacted to read as
27 follows:

28 198:40-d Annual Adjustment. Beginning July 1, 2024 and every year thereafter, the
29 department of education shall adjust the following with an increase of 2 percent annually:

30 I. Per pupil costs in RSA 198:40-a, II;

31 II. Extraordinary need grant “grant floor,” “grant ceiling,” “factor,” and “max grant” as
32 defined in RSA 198:40-f, II, (a)-(d); and

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1 III. Chartered public school additional grants under RSA 194-B:11, I(b)(1)(A) and (B).
2 147-a Repeal. RSA 198:40-e, relative to relief funding, is repealed.
3 148 Extraordinary Need Grants; 2023. Amend RSA 198:40-f to read as follows:
4 198:40-f Extraordinary Need Grants.

5 I. In addition to aid for the cost of the opportunity for an adequate education provided under
6 RSA 198:40-a, each year the commissioner shall calculate an extraordinary need grant for schools
7 and provide that amount of aid to a municipality's school districts as follows:

8 (a) A municipality with an equalized valuation per pupil eligible to receive a free or
9 reduced-priced meal of [~~\$1,000,000~~] **\$1,600,000** or less shall receive [~~\$650~~] **\$8,500** per pupil eligible
10 to receive a free or reduced-price meal in the municipality's ADMR.

11 (b) A municipality with an equalized valuation per pupil eligible to receive a free or
12 reduced-price meal between [~~\$1,000,001~~] **\$1,600,001** and [~~\$5,999,999~~] **\$6,599,999** shall receive a
13 grant equal to [~~\$0.00013~~] **\$0.0017** for each dollar of difference between its equalized valuation per
14 pupil eligible to receive a free or reduced-price meal and [~~\$6,000,000~~] **\$6,600,000**, per pupil eligible
15 to receive a free or reduced-price meal in the municipality's ADMR.

16 (c) A municipality with an equalized valuation per pupil eligible to receive a free or
17 reduced-price meal of [~~\$6,000,000~~] **\$6,600,000** or more shall not receive an extraordinary need grant.

18 II. [~~In order to receive an extraordinary need grant, the eligible school district shall provide~~
19 ~~a plan to the department of education outlining how the district intends to use grant award funds to~~
20 ~~improve the educational achievement and growth of students. The extraordinary need grant plan~~
21 ~~shall include an accountability component designed to generate data that measures student~~
22 ~~academic achievement and growth of knowledge and skills in reading and language arts and/or~~
23 ~~mathematics at what grade levels funds will be used. The school district shall develop and~~
24 ~~administer its own grant accountability assessment that identifies a pupil's range of learning and~~
25 ~~yields objective data to use in improving instruction and learning, or use the statewide assessment.~~
26 ~~The school district shall submit to the department an annual grant accountability progress report~~
27 ~~that includes evidence of satisfactory program implementation and progress toward grant~~
28 ~~accountability improvement targets. The primary goal of this grant is to improve student~~
29 ~~achievement and growth and to help the school district to have funding for successful, best practice~~
30 ~~student learning approaches.] *In this section:*~~

31 (a) *The \$1,600,000 in equalized valuation per free or reduced-price meal pupil*
32 *referenced in RSA 198:40-f, I(a) shall be called the "grant floor."*

33 (b) *The \$6,600,000 in equalized valuation per free or reduced-price meal pupil*
34 *referenced in RSA 198:40-f, I(b) and RSA 198:40-f, I(c) shall be called the "grant ceiling."*

35 (c) *The \$0.0017 for each dollar difference between equalized valuation per pupil*
36 *eligible to receive a free or reduced-price meal referenced in RSA 198:40-f, I(b) shall be*
37 *called the "factor."*

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1 (d) *The \$8,500 per pupil eligible to receive a free or reduced-price meal*
2 *referenced in RSA 198:40-f, I(a) shall be called the “max grant.”*

3 III. Extraordinary need grants shall be distributed pursuant to RSA 198:42.

4 IV. In this section, "equalized valuation per pupil eligible to receive a free or reduced-price
5 meal" means a municipality's equalized valuation [~~excluding properties subject to taxation under~~
6 ~~RSA 82 and equalized payments in lieu of taxes,~~] as determined by the department of revenue
7 administration, that was the basis for the local tax assessment in the determination year, divided by
8 the school district's kindergarten through grade 12 ADMR in the determination year eligible to
9 receive a free or reduced-price meal.

10 148-a Extraordinary Need Grants; 2025. Amend RSA 198:40-f, I and II to read as follows:

11 I. In addition to aid for the cost of the opportunity for an adequate education provided under
12 RSA 198:40-a, each year the commissioner shall calculate an extraordinary need grant for schools
13 and provide that amount of aid to a municipality's school districts as follows:

14 (a) A municipality with an equalized valuation per pupil eligible to receive a free or
15 reduced-priced meal of [~~\$1,600,000~~] **\$1,664,640** or less shall receive [~~\$8,500~~] **\$11,500** per pupil
16 eligible to receive a free or reduced-price meal in the municipality's ADMR.

17 (b) A municipality with an equalized valuation per pupil eligible to receive a free or
18 reduced-price meal between [~~\$1,600,001~~] **\$1,664,641** and [~~\$6,599,999~~] **\$6,866,639** shall receive a
19 grant equal to [~~\$0.00170~~] **\$0.00221** for each dollar of difference between its equalized valuation per
20 pupil eligible to receive a free or reduced-price meal and [~~\$6,600,000~~] **\$6,866,640**, per pupil eligible
21 to receive a free or reduced-price meal in the municipality's ADMR.

22 (c) A municipality with an equalized valuation per pupil eligible to receive a free or
23 reduced-price meal of [~~\$6,600,000~~] **\$6,866,640** or more shall not receive an extraordinary need grant.

24 II. In this section:

25 (a) The [~~\$1,600,000~~] **\$1,664,640** in equalized valuation per free or reduced-price meal
26 pupil referenced in RSA 198:40-f, I(a) shall be called the “grant floor.”

27 (b) The [~~\$6,600,000~~] **\$6,866,640** in equalized valuation per free or reduced-price meal
28 pupil referenced in RSA 198:40-f, I(b) and RSA 198:40-f, I(c) shall be called the “grant ceiling.”

29 (c) The [~~\$0.00060~~] **\$0.00221** for each dollar difference between equalized valuation per
30 pupil eligible to receive a free or reduced-price meal referenced in RSA 198:40-f, I(b) shall be called
31 the “factor.”

32 (d) The [~~\$8,500~~] **\$11,500** per pupil eligible to receive a free or reduced-price meal
33 referenced in RSA 198:40-f, I(a) shall be called the “max grant.”

34 148-b Effective Date. Section 148-a shall take effect on July 1, 2025.

35 149 Determination of Education Grants. Amend RSA 198:41 to read as follows:

36 198:41 Determination of Education Grants.

37 I. Except for municipalities where all school districts therein provide education to all of their

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1 pupils by paying tuition to other institutions, the department of education shall determine the total
2 education grant for the municipality as follows:

3 (a) Add the per pupil cost of providing the opportunity for an adequate education for
4 which each pupil is eligible pursuant to RSA 198:40-a, I-III, and from such amount;

5 (b) Subtract the amount of the education tax warrant to be issued by the commissioner
6 of revenue administration for such municipality reported pursuant to RSA 76:8 for the next tax year;
7 and

8 (c) ~~[[Repealed.]~~

9 ~~_____ (d) Add the municipality's additional aid for relief funding pursuant to RSA 198:40-e.~~

10 ~~_____ (e) Add the municipality's extraordinary need grant pursuant to RSA 198:40-f.~~

11 ~~[[II. For municipalities where all school districts therein provide education to all of their~~
12 ~~pupils by paying tuition to other institutions, the department of education shall determine the total~~
13 ~~education grant for each municipality as the lesser of the 2 following calculations:~~

14 ~~(a) The amount calculated in accordance with paragraph I of this section; or~~

15 ~~(b) The total amount paid for items of current education expense as determined by the~~
16 ~~department of education minus the amount of the education tax warrant to be issued by the~~
17 ~~commissioner of revenue administration for such municipality reported pursuant to RSA 76:8 for the~~
18 ~~next tax year.~~

19 ~~III.(a) For the biennium ending June 30, 2013, the department of education shall not~~
20 ~~distribute a total education grant on behalf of all pupils who reside in a municipality that exceeds~~
21 ~~that municipality's total education grant in the second year of the previous biennium.~~

22 ~~(b) [Repealed.]~~

23 ~~IV.(a) For fiscal year 2012, the department of education shall identify all municipalities in~~
24 ~~which the fiscal year 2012 total education grant will be less than the fiscal year 2011 total education~~
25 ~~grant. The department shall distribute a stabilization grant to each of those municipalities equal to~~
26 ~~100 percent of the decrease.~~

27 ~~[(b) For fiscal year 2013, the department of education shall identify all municipalities in~~
28 ~~which the fiscal year 2013 total education grant, including any stabilization grant distributed~~
29 ~~pursuant to subparagraph (a), will be less than the fiscal year 2011 total education grant. The~~
30 ~~department shall distribute funds to each of those municipalities equal to 100 percent of the~~
31 ~~decrease.~~

32 ~~(c) For fiscal year 2014 through fiscal year 2016, the department of education shall~~
33 ~~distribute a total education grant to each municipality in an amount equal to the total education~~
34 ~~grant for the fiscal year in which the grant is calculated plus the amount of the fiscal year 2012~~
35 ~~stabilization grant, if any, distributed to the municipality.~~

36 ~~(d) For fiscal year 2024 and each fiscal year thereafter, the department of education~~
37 ~~shall distribute a total education grant to each municipality in an amount equal to the total~~

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1 education grant for the fiscal year in which the grant is calculated plus a percentage of the
2 municipality's fiscal year 2012 stabilization grant, if any, distributed to the municipality; the
3 percentage shall be 96 percent for fiscal year 2017, 92 percent for fiscal year 2018, 88 percent for
4 fiscal year 2019, and 100 percent for fiscal year 2020 and each fiscal year thereafter. No
5 stabilization grant shall be distributed to any municipality for any fiscal year in which the
6 municipality's education property tax warrant pursuant to RSA 76:8 exceeds the total cost of an
7 adequate education or to any municipality for any fiscal year in which the municipality's ADMR is
8 zero.]

9 ***II. For fiscal year 2024 and fiscal year 2025, the department of education shall***
10 ***distribute a hold harmless grant equal to any amount in which a municipality's adequacy***
11 ***grant is less than 102 percent of the fiscal year 2024 preliminary estimate for the adequacy***
12 ***grant as of November 15, 2022. No municipality with a current adequacy grant amount***
13 ***that exceeds the fiscal year 2024 preliminary estimate shall receive a hold harmless grant.***
14 ***No hold harmless grant shall be distributed to any municipality in which the***
15 ***municipality's education property tax warrant pursuant to RSA 76:8 exceeds the total cost***
16 ***of an adequate education.***

17 ***III. Beginning in fiscal year 2026, the hold harmless grant calculated under***
18 ***paragraph III shall decrease as a percent of the amount awarded under the following***
19 ***schedule:***

20 ***(1) 80 percent of the calculated fiscal year 2025 hold harmless grant shall be***
21 ***awarded for fiscal year 2026 and fiscal year 2027.***

22 ***(2) 60 percent of the calculated fiscal year 2025 hold harmless grant shall be***
23 ***awarded for fiscal year 2028 and fiscal year 2029.***

24 ***(3) 40 percent of the calculated fiscal year 2025 hold harmless grant shall be***
25 ***awarded for fiscal year 2030 and fiscal year 2031.***

26 ***(4) 20 percent of the calculated fiscal year 2025 hold harmless grant shall be***
27 ***awarded for fiscal year 2032 and fiscal year 2033.***

28 ***(5) No hold harmless grant shall be awarded for fiscal year 2034 and each***
29 ***year thereafter.***

30 ~~[V.]~~ ***IV.*** The department shall use the best available data and methods to estimate ADMR
31 and education grants by November 15 of the year preceding the school year for which aid is
32 determined.

33 ~~[VI.]~~ ***V.*** The department shall produce a revised estimate of grants using actual
34 determination year data for the purpose of settling municipal tax rates. A municipality's grant
35 estimate shall not be less than 95 percent of the estimate reported pursuant to paragraph ~~[V]~~ ***IV.***
36 The commissioner of the department of education shall provide the estimate for the current fiscal
37 year to the commissioner of the department of revenue administration no later than October 1 of

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1 each year.

2 ~~[VII.]~~ **VI.** When final determination year data is available, but not later than April 1, the
3 department shall make a final determination of grant amounts. A municipality's grant estimate
4 shall not be less than 95 percent of the estimate reported pursuant to paragraph ~~[V]~~ **IV**. The
5 department shall adjust the April grant disbursement required pursuant to RSA 198:42 so that the
6 total amount disbursed for the fiscal year shall match the final grant determination.

7 ~~[VIII.]~~ **VII.** Reports of grant determinations for municipalities required pursuant to
8 paragraphs ~~[V-VII]~~ **IV- VI** shall be available to the public by the date specified in paragraphs ~~[V-VII]~~
9 **IV- VI**, and the department shall make available a report for multi-town school districts and
10 municipalities with multiple school districts. The department of education shall provide the
11 department of revenue administration the information needed to set tax rates.

2023-1764s

AMENDED ANALYSIS

keep: paragraph 58.