

HB 563-FN - AS AMENDED BY THE HOUSE

13Mar2025... 0650h

2025 SESSION

25-0223

02/11

HOUSE BILL

563-FN

AN ACT

relative to the cost of an opportunity for an adequate education, extraordinary need grants, fiscal capacity disparity aid, and determination of education grants.

SPONSORS:

Rep. Ladd, Graf. 5; Rep. Cordelli, Carr. 7; Rep. Drye, Sull. 7; Rep. Spilsbury, Sull. 3; Rep. S. Smith, Sull. 3; Rep. Leishman, Hills. 33; Rep. Cornell, Hills. 22; Sen. Ward, Dist 8

COMMITTEE:

Education Funding

AMENDED ANALYSIS

This bill changes the calculation of costs of an opportunity for an adequate education, extraordinary need grants, and determination of education grants. It also establishes fiscal capacity disparity aid grants.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to the cost of an opportunity for an adequate education, extraordinary need grants, fiscal capacity disparity aid, and determination of education grants.

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-II to read as
2 follows:

3 I. [~~For the biennium~~] Beginning July 1, [~~2023~~] **2026**, 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~~] **\$4,351** per pupil in the ADMR, plus differentiated aid as follows:

8 (b) An additional [~~\$2,300~~] **\$2,441** for each pupil in the ADMR who is eligible for a free or
9 reduced price meal anytime during the determination year; plus

10 (c) An additional [~~\$800~~] **\$849** for each pupil in the ADMR who is an English language
11 learner anytime during the determination year; plus

12 (d) An additional [~~\$2,100~~] **\$3,140** for each pupil in the ADMR who is receiving special
13 education services anytime during the determination year.

14 2 Annual Adjustment. Amend RSA 198:40-d to read as follows:

15 198:40-d Annual Adjustment.

16 Beginning July 1, [~~2024~~] **2027**, and every year thereafter, the department of education shall
17 adjust the following with an increase of 2 percent annually, ***rounded up to the nearest whole***
18 ***dollar***:

19 I. Per pupil costs in RSA 198:40-a, II; ***and***

20 II. [~~Extraordinary need grant "grant floor," "grant ceiling," "factor," and "max grant" as~~
21 ~~defined in RSA 198:40-f, II, (a)-(d); and~~

22 ~~III.] Chartered public school additional grants under RSA 194-B:11, I(b)(1)(A) and (B).~~

23 3 Extraordinary Need Grants. RSA 198:40-f is repealed and reenacted to read as follows:

24 198:40-f Extraordinary Need Grants.

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

28 (a) A municipality with an equalized valuation per pupil eligible to receive a free or
29 reduced-priced meal of \$1,700,000 or less shall receive \$11,730 per pupil eligible to receive a free or
30 reduced-price meal in the municipality's ADMR.

1 (b) A municipality with an equalized valuation per pupil eligible to receive a free or
2 reduced-price meal between \$1,700,001 and \$6,999,999 shall receive a grant equal to \$0.00221321
3 for each dollar of difference between its equalized valuation per pupil eligible to receive a free or
4 reduced-price meal and \$6,999,999, for each pupil eligible to receive a free or reduced-price meal in
5 the municipality's ADMR.

6 (c) A municipality with an equalized valuation per pupil eligible to receive a free or
7 reduced-price meal of \$7,000,000 or more shall not receive an extraordinary need grant.

8 II. In this section:

9 (a) "Grant floor" means \$1,700,000 in equalized valuation per free or reduced-price meal
10 pupil.

11 (b) "Grant ceiling" means \$7,000,000 in equalized valuation per free or reduced-price
12 meal pupil.

13 (c) "Factor" means \$0.00221321 for each dollar difference between equalized valuation
14 per free or reduced-price meal pupil.

15 (d) "Maximum grant" means \$11,730 per free or reduced-price meal pupil.

16 III. The extraordinary needs grants shall be calculated using the formula described in
17 paragraph I, however, beginning July 1, 2027, and every year thereafter, the grant floor, grant
18 ceiling, and maximum grant shall be increased by 2 percent. The factor shall be readjusted by
19 taking the newly adjusted maximum grant and dividing by the difference between the grant floor
20 and grant ceiling.

21 4 New Section; Fiscal Capacity Disparity Aid. Amend RSA 198 by inserting after section 40-f
22 the following new section:

23 198:40-g Fiscal Capacity Disparity Aid.

24 I. In addition to aid for the cost of the opportunity for an adequate education provided under
25 RSA 198:40-a, each year the commissioner shall calculate a fiscal capacity disparity aid grant for
26 schools and provide that amount of aid to a municipality's school districts as follows:

27 (a) A municipality with an equalized valuation per pupil of \$1,000,000 or less shall
28 receive \$1,250 per pupil eligible in the municipality's ADMR.

29 (b) A municipality with an equalized valuation per pupil between \$1,000,001 and
30 \$1,599,999 shall receive a grant equal to \$0.00208333 for each dollar of difference between its
31 equalized valuation per pupil and \$1,599,999, for each pupil the municipality's ADMR.

32 (c) A municipality with an equalized valuation per pupil of \$1,600,000 or more shall not
33 receive a fiscal capacity disparity aid grant.

34 II. In this section:

35 (a) "Grant floor" means \$1,000,000 in equalized valuation per pupil.

36 (b) "Grant ceiling" means \$1,600,000 in equalized valuation per pupil.

HB 563-FN - AS AMENDED BY THE HOUSE

- Page 3 -

1 (c) "Factor" means \$0.00208333 for each dollar difference between equalized valuation
2 per pupil.

3 (d) "Maximum grant" means \$1,250 per pupil.

4 III. The fiscal capacity disparity aid grants shall be calculated using the formula described
5 in paragraph I, however, beginning July 1, 2027, and every year thereafter, the grant floor, grant
6 ceiling, and maximum grant shall be increased by 2 percent. The factor shall be readjusted by
7 taking the newly adjusted maximum grant and dividing by the difference between the grant floor
8 and grant ceiling.

9 5 Determination of Education Grants. Amend RSA 198:41, I(b)-(c) to read as follows:

10 (b) Subtract the amount of the education tax warrant to be issued by the commissioner
11 of revenue administration for such municipality reported pursuant to RSA 76:8 for the next tax year;
12 [~~and~~]

13 (c) Add the municipality's extraordinary need grant pursuant to RSA 198:40-f;[-]

14 (d) **Add the municipality's fiscal capacity disparity aid grant pursuant to RSA**
15 **198:40-g; and**

16 (e) **For municipalities with a total ADMR of 5,000 or more, subtract the amount**
17 **necessary to limit the total additional targeted aid to \$3,750 per pupil in the municipality's**
18 **ADMR. For the purpose of this paragraph, additional targeted aid shall be the sum of a**
19 **municipality's extraordinary needs grant and fiscal capacity disparity aid grant.**

20 6 Effective Date. This act shall take effect July 1, 2026.

LBA
25-0223
9/22/25

HB 563-FN- FISCAL NOTE
AS AMENDED BY THE HOUSE (AMENDMENT #2025-0650h)

AN ACT relative to the cost of an opportunity for an adequate education, extraordinary need grants, fiscal capacity disparity aid, and determination of education grants.

FISCAL IMPACT:

The Office of Legislative Budget Assistant is unable to complete a fiscal note for this bill as it is awaiting information from the Department of Education. The Department was initially contacted on 3/14/25 for a fiscal note worksheet, with follow-up contact made on 7/30/25. When completed, the fiscal note will be forwarded to the House Clerk's Office.

AGENCIES CONTACTED:

Department of Education