

# Senate Education Committee

*Ryan Meleedy 271-4151*

**SB 57**, establishing a study committee to analyze reducing the number of school administrative units.

**Hearing Date:** January 21, 2025

**Members of the Committee Present:** Senators Ward, Sullivan, Abbas, Prentiss and Altschiller

**Members of the Committee Absent :** None

**Bill Analysis:** This bill creates a study committee to analyze reducing the number of school administrative units (SAUs) in the state.

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**Sponsors:**

Sen. Murphy  
Sen. Sullivan  
Sen. Pearl

Sen. Lang  
Sen. Innis  
Rep. Cordelli

Sen. Carson  
Sen. Ward  
Rep. Osborne

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**Who supports the bill:** Senator Keith Murphy (16), Senator Sharon Carson (14), Senator Daniel Innis (7), Senator Ruth Ward (8), Senator Howard Pearl (17), Ann Marie Banfield, Barbara Koehler, Laura El-Azem, Joanna Brown, Tanya Rich, Jennifer Maley.

**Who opposes the bill:** Michelle St. John, Lisa Gagalis,

**Who is neutral on the bill:** Senator Suzanne Prentiss (5), Doris Hohensee,

**Summary of testimony presented in support:**

**Senator Keith Murphy (Sponsor):**

- Senator Murphy introduced Senate Bill 57, explaining that the bill intended to establish a committee to study the potential effectiveness of a structural shift in School Administrative Units (SAU) to address ongoing educational funding inefficiencies.
- Senator Murphy explained that the potential shift in school administrative structure is not necessarily the perfect fix for any perceived efficiency issues, acknowledging the trade-off of having a more distant line of contact from parents and students to superintendents. He elaborated, explaining that this

bill would merely launch a study into the potential positives and drawbacks that such restructuring would provide.

- Senator Murphy referenced his educational upbringing in Baltimore County, Maryland, which operated under the school administrative structure that the study committee would investigate. He also emphasized that this structure is in place in many other states, making this a relevant administrative structure for the proposed study committee to look into.
- Senator Murphy cited the continuation of blame being shifted from individual school administration budget shortcomings to the legislature as a significant reason to study a potential restructuring and also alluded to a looming New Hampshire Supreme Court decision that could require extensive state funding to be granted to the education system, despite the continued inefficiencies observed on an individual school administration level. He added that taxpayers continually pay more money for fewer students to be educated each year, stating that accountability to taxpayers is an additional justification for the bill's consideration.
- Senator Altschiller pointed out that the basis of the study committee that the bill would enumerate already assumes that the current SAU structure is ineffective and studying how to make it more effective. She argued that, if anything, the committee should start by examining whether the current SAU structure is effective or not, rather than assuming it is ineffective.
- Senator Altschiller asked what, outside of Senator Murphy's preference, led to the notion that scrapping the current system would be the most effective way for the state to handle such inefficiencies. She asked why this study committee wouldn't consider other alternatives rather than jumping to the conclusion that consolidation was the only solution worth studying.
- Senator Murphy established that he has no personal belief that this proposed model or SAU restructuring would be the ideal path for this state to take. He explained that he felt it would be worth comparing the current state model to the model that the vast majority of other states have adopted.
- Senator Murphy shifted attention to cost-per-pupil statistics between municipalities and questioned why a school system like that of Auburn, New Hampshire, can operate on a cost-per-pupil basis of roughly \$14,000 per year when other districts, such as Inner Lakes Cooperative, operate on an approximate \$29,000 cost-per-pupil basis.
- Senator Altschiller expressed appreciation for Senator Murphy's concern about these discrepancies but reiterated her uncertainty as to why this bill automatically assumes that the culprit of education spending inefficiencies is School Administrative Units. She also highlighted the fact that other states that operate within the model that the bill proposes to study, including Senator

Murphy's home state of Maryland, have state income taxes that potentially could offset some of the tradeoffs of such a model, whereas New Hampshire does not have a state income tax.

- Senator Murphy expressed that he does not favor any broad-based New Hampshire state income tax but believes it is worthwhile for the state legislature to look into the model most other states have already adopted. He reemphasized that his proposal of this bill in no way asserts that New Hampshire should restructure this model; however, he believed that it is worthwhile to at least investigate it as a potential option to cut inefficiencies. He elaborated, saying that if he had been confident that this restructuring was the solution to the problem, he would have proposed a bill to restructure. This bill merely proposes a legislative study of the potential outcomes of such a model if implemented in New Hampshire.
- Senator Murphy explained that his personal feeling that the current system *could* be unworkable comes from extremely high administrative salaries yet relatively low starting salaries for new teachers within the same school districts.
- Senator Prentiss asked whether Senator Murphy had spoken with any county official about the bill, to which he replied that he had not.
- Senator Abbas explained that it was his understanding that no matter how much money you provide education systems, if the underlying problems persist within them, no amount of money will be effective at mitigating educational shortcomings. He asked whether his understanding of the bill was correct in that the intent is to determine the cost of administrative positions and whether they are necessary to facilitate an adequate education. Senator Murphy explained that the goal of the study committee was to determine how much money the state could save by consolidating the functions of administrative departments and eliminating redundancy.
- Senator Ward asked about the original intent behind having School Administrative Units. Senator Murphy explained that the original intent was to consolidate administrative functions by grouping certain towns under one administrative unit where it was deemed necessary.
- Senator Ward, following up on her previous question, asked whether Senator Murphy believed that the School Administrative Units had adopted an additional function since their inception, to which Senator Murphy answered that this was his understanding.

### **Ann Marie Banfield**

- Ann Marie Banfield Testified in support of Senate Bill 57.
- Ms. Banfield detailed the events of a recent North Hampton budget meeting, establishing that the total cost to educate a single student was found to be

\$39,000 and that in order to provide enough funding to keep up with the administrative costs associated with SAU's, North Hampton was forced to cut the budget of other essential services, such as the fire department.

- Ms. Banfield cited the need to make these budget cuts to other areas of local funding as a strong reason for altering the SAU structure, which the bill would provide a basis for study.
- Ms. Banfield explained that the state should be more concerned with paying teachers to bolster education outcomes and to retain funding for services such as fire departments rather than face the burden of having to overpay SAUs, which she perceived to be ineffective and not essential to educational success under their current structure.
- Ms. Banfield took issue with the amount of school administrative positions throughout the state and the fact that the majority make more money than high-ranking state positions, such as Governor and Attorney General, yet are generally ineffective from her perspective.
- Ms. Banfield also took issue with certain data-collecting initiatives taken up by SAUs throughout the state. She prompted the committee to consider whether an adequate education required this level of bureaucracy.

### **Neutral Information Presented:**

#### **Doris Hohensee – Former School Board Member, Nashua**

- Doris Hohensee established that the state previously offered more funding to individual school districts to incentivize them to consolidate into SAUs in order to save money.
- Ms. Hohensee suggested reviewing the duties of superintendents.
- Ms. Hohensee reiterated concern about the consolidation of School Administrative Units that Senator Murphy had conceded at the beginning of his testimony, establishing that it would make it harder for parents to get in contact with school superintendents and would give parents less of a voice in their student's education. She also noted that this could cause more parents of students to seek EFAs so that their students can leave the district.