

HB 772-FN - AS INTRODUCED

2025 SESSION

25-0791

07/08

HOUSE BILL **772-FN**

AN ACT establishing a foundation opportunity budget program for funding public education.

SPONSORS: Rep. Luneau, Merr. 9; Rep. Ames, Ches. 13; Rep. Damon, Sull. 8

COMMITTEE: Education Funding

ANALYSIS

This bill modifies the determination and funding for an opportunity for a constitutionally adequate education by establishing foundation opportunity budgets and state foundation opportunity 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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 establishing a foundation opportunity budget program for funding public education.

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

1 1 Education; Adequate Public Education; Policy and Purpose. RSA 193-E:1 is repealed and
2 reenacted to read as follows:

3 193-E:1 Policy and Purpose. The general court declares the following findings, purposes and
4 policy for a constitutionally adequate education:

5 I. It is the duty and policy of the state of New Hampshire that public elementary and
6 secondary education shall provide all students with the opportunity to acquire the knowledge and
7 skills necessary to prepare them for successful participation in the social, economic, scientific,
8 technological, and political systems of a free government, now and in the years to come, regardless of
9 where the students live.

10 II. Respecting New Hampshire's long tradition of community involvement in which local
11 school districts have responsibility and flexibility in implementing diverse educational approaches to
12 instruction and curriculum tailored to meet student needs, and further recognizing that fiscal
13 capacities and educational needs vary greatly from community to community across the state, it is
14 the purpose of this act to recognize, affirm and establish an integrated system of shared
15 responsibility and shared funding between state and local government that will guarantee full
16 funding and delivery of a constitutionally adequate education to all children regardless of where they
17 live.

18 III. New Hampshire's long history of authorizing local governments, in the form of local
19 school districts, to develop and administer public schools pursuant to a set of minimum standards
20 established by the state has successfully achieved, on average across the state, high quality
21 educational outcomes and high levels of total spending in support of public schools.

22 IV. While prior New Hampshire legislative efforts to define and measure the adequacy of
23 public education have relied on input-based methods to set basic education funding levels, the
24 general court finds that defining the concept of adequate education in terms of outcomes and
25 performance provides a more precise and actionable approach that will better identify areas of
26 greatest need for supports.

27 V. Data and academic research demonstrate a strong relationship between measures of
28 student poverty such as percentage of students eligible to receive free and reduced price lunches and
29 student outcomes. For example, school districts that have higher percentages of students receiving

1 free and reduced lunches also are more likely in the absence of targeted educational interventions to
2 have lower student performance outcomes.

3 VI. The general court finds there is a strong relationship between measures of student
4 poverty such as percentage of students eligible to receive receiving free and reduced lunches and
5 total spending (including both state and local funding sources). For example, school districts that
6 have higher percentages of students receiving free and reduced lunches also have lower total
7 spending.

8 VII. The general court makes the ultimate finding that, consistent with academic research
9 and data and based on the above findings, the concept of what constitutes a constitutionally
10 adequate education should be defined in terms of opportunity to achieve a desired level of outcomes
11 for all students in the state regardless of where they live.

12 VIII. The general court further makes the ultimate finding that, consistent with academic
13 research and data and based on the above findings, the value of ensuring a constitutionally adequate
14 education throughout the state should be measured by the total funding projected to provide an
15 equal opportunity to achieve the defined statewide target desired level of outcome, regardless of
16 where students live.

17 IX. The general court further makes the ultimate finding that the total cost for ensuring an
18 opportunity for all children for a constitutionally adequate education within an integrated system of
19 shared responsibility must be funded by both state and local government sources with shared
20 adequacy funding allocations that:

21 (a) Require local government shares raised by local school taxes in amounts no greater
22 than the inflation-adjusted amount that would have been raised in fiscal year 2023 by each local
23 government by application of a uniform statewide equalized rate of \$5.38 per \$1,000 to the fiscal
24 year 2024 equalized assessed valuation of all property taxable by the local government, as
25 determined pursuant to RSA 76:8, provided that in no case shall a local government be required to
26 levy local school taxes that yield amounts greater than a 90 percent share of the municipality's total
27 cost of adequacy, and

28 (b) Require state share grants to local governments at levels that ensure that the
29 required local government share when added to the required state share provides full funding of the
30 local government's calculated cost of providing an adequate education, and provided further that the
31 statewide total of all local shares in any fiscal year shall not exceed 52 percent of the statewide sum
32 of the foundation opportunity budgets for all school districts, less costs paid for from federal sources.

33 X. The general court further makes the ultimate finding that, while principles of equity
34 supporting student equity require the establishment of the foundation opportunity method of
35 determining state public education grants in this act, in order to protect municipalities and the state
36 from adverse impacts on students, parents, teachers, taxpayers and others that could result from
37 immediate or irresponsible implementation of such method, there should be provisions that enable

1 an effective multi-year transition from the current public school funding system to the new system
2 and provisions that ensure ongoing effective and responsible maintenance and improvement of the
3 new system, such provisions to include:

4 (a) Transition grants to enable a multi-year phase-in to the new system, and

5 (b) Responsible and educationally effective processes for the timely determination and
6 redetermination of education outcomes, costs and weights, including identification and application of
7 efficiency measures and a system-wide efficiency factor to ensure that state grants are designed and
8 calculated to screen out from state-sourced funding support any costs that are not needed for a
9 constitutionally adequate education and to incentivize appropriate cost efficiencies at all levels of the
10 new system.

11 2 Definition of Adequate Education. RSA 193-E:2-a is repealed and reenacted to read as follows:

12 193-E:2-a Definition of a Constitutionally Adequate Education; Statewide Public Education
13 Opportunity Goal.

14 I. The general court determines that a constitutionally adequate education is defined, with
15 respect to each local school district, as a public education that provides students in the district with
16 an opportunity to achieve the statewide public education opportunity goal.

17 II.(a) Beginning in the school year 2024-2025, and for each year thereafter, the specific
18 criteria and substantive educational program that deliver the opportunity for an adequate education
19 shall be defined and identified as the school approval standards in the following learning areas:

20 (1) English/language arts and reading.

21 (2) Mathematics.

22 (3) Science.

23 (4) Social studies, including civics, government, economics, geography, history, and
24 Holocaust and genocide education.

25 (5) Arts education, including music and visual arts.

26 (6) World languages.

27 (7) Health and wellness education, including a policy for violations of RSA 126-K:8,

28 I(a).

29 (8) Physical education.

30 (9) Engineering and technologies including technology applications.

31 (10) Personal finance literacy.

32 (11) Computer science.

33 (b) Teachers shall use academic and applied instruction to teach the learning areas
34 under subparagraph (a). The following skills shall be integrated into the learning areas:

35 (1) Computer use and digital literacy.

36 (2) Logic and rhetoric.

1 III. The standards shall cover kindergarten through twelfth grade and shall clearly set forth
2 the opportunities to acquire the communication, analytical and research skills and competencies, as
3 well as the substantive knowledge expected to be possessed by students at the various grade levels,
4 including the credit requirement necessary to earn a high school diploma.

5 IV. Instruction in support of kindergarten standards shall be engaging and shall foster
6 children's development and learning in all domains including physical, social, cognitive, and
7 language. Educators shall create a learning environment that facilitates high quality, child-directed
8 experiences based upon early childhood best teaching practices and play-based learning that
9 comprise movement, creative expression, exploration, socialization, and music. Educators shall
10 develop literacy through guided reading and shall provide unstructured time for the discovery of
11 each child's individual talents, abilities, and needs.

12 V. Public schools and public academies shall adhere to the standards identified in paragraph
13 II.

14 VI.(a) The minimum standards for public school approval for the areas identified in
15 paragraph I shall constitute the opportunity for the delivery of an adequate education. The general
16 court shall periodically, but not less frequently than every 10 years, review, revise, and update, as
17 necessary, the minimum standards identified in paragraph II and shall ensure that the high quality
18 of the minimum standards for public school approval in each area of education identified in
19 paragraph II is maintained. Changes made by the board of education to the school approval
20 standards through rulemaking after the effective date of this section shall not be included within the
21 standards that constitute the opportunity for the delivery of an adequate education without prior
22 adoption by the general court. The board of education shall provide written notice to the speaker of
23 the house of representatives, the president of the senate, and the chairs of the house and senate
24 education committees of any changes to the school approval standards adopted pursuant to RSA 541-
25 A.

26 (b) Neither the department of education nor the state board of education shall by statute
27 or rule require that the common core standards developed jointly by the National Governors
28 Association and the Council of Chief State School Officers be implemented in any school or school
29 district in this state. If the local school board elects not to implement the common core standards or
30 the common core state standards adopted by the state board pursuant to RSA 541-A, the local school
31 board shall determine, approve, and implement alternative academic standards.

32 (c) The state board shall not amend any existing academic standards and shall not
33 approve any new academic standards without the prior review and recommendation of the
34 legislative oversight committee established in RSA 193-C:8-a.

35 (d) In this paragraph, "academic standards" shall have the same meaning as in RSA
36 193-E:2-a, VIII(b).

1 VII.(a) The general court requires every 10 years the state board of education and the
2 department of education to institute procedures for maintaining, updating, improving, and refining
3 the minimum standards for public school approval and the curriculum frameworks for each area of
4 education identified in paragraph II. Each school district shall be responsible for maintaining,
5 updating, improving, and refining curriculum. The curriculum shall present educational goals,
6 broad pedagogical approaches, and strategies for assisting students in the development of the skills,
7 competencies, and knowledge called for by the minimum standards for public school approval and
8 academic standards for each area of education identified in paragraph II. The curriculum
9 frameworks shall serve as a guide and reference to what New Hampshire students should know and
10 be able to do in each area of education identified in paragraph II. Curriculum frameworks do not
11 establish a statewide curriculum. It is the responsibility of local teachers, administrators, and
12 school boards to identify and implement approaches best suited for the students in their
13 communities to acquire the skills and knowledge included in the curriculum, to determine the scope,
14 organization, and sequence of course offerings, and to choose the methods of instruction, the
15 activities, and the materials to be used.

16 (b) The state board of education shall adopt rules, pursuant to RSA 541-A, relative to the
17 approval of alternative programs for granting credit leading to graduation.

18 VIII. In this section:

19 (a) "Minimum standards for public school approval" mean the applicable criteria that
20 public schools and public academies shall meet in order to be an approved school, as adopted by the
21 state board of education through administrative rules.

22 (b) "Academic standards" means what a student should know and be able to do in a
23 course or at each grade level.

24 (c) "Curriculum" means the lessons and academic content taught in school or in a
25 specific course or program.

26 (d) "Curriculum framework" means an organized plan of study that serves as a guide
27 and reference to what New Hampshire students should know and be able to do in a learning area
28 and identifies the academic standards aligned with each learning area pursuant to RSA 193-E:2-a,
29 II(a).

30 (e) "Applied learning" means an educational approach whereby students have the
31 opportunity to directly engage in learning activities using knowledge and skills.

32 (f) "Logic" means a reasoning skill that better enables a student to analyze problems in
33 learning areas such as mathematics and to develop problem solutions; to better understand the
34 principle of cause and effect; and to develop critical thinking skills to better identify fact from
35 unverified information or data.

36 (g) "Rhetoric" means the skill of speaking and writing as a means of communication or
37 persuasion.

1 IX. For purposes of this chapter, the term “statewide public education opportunity goal”
2 means the statewide average of the outcome factors of all school districts in the state, determined
3 using the most recently available outcome data, including the following performance data as
4 maintained by the department of education: assessment scores; graduation rates; and attendance
5 rates. This outcomes-based goal is intended to enable each school district to provide its students
6 with the opportunity to achieve the average statewide level of performance, regardless of their
7 particular needs or the relative property wealth of the community where the students live. The
8 average student performance in every school district should approach the average student
9 performance of all students statewide.

10 3 Determination of Adequate Education Values for School Districts; Foundation Opportunity
11 Budgets. RSA 193-E:2-b is repealed and reenacted to read as follows:

12 193-E:2-b Determination of Adequate Education Values for School Districts; Foundation
13 Opportunity Budgets.

14 I. The general court shall determine the value of an adequate education for each school
15 district by using an education cost model that estimates, with respect to each school district, the
16 total spending predicted by the model to achieve the statewide public education opportunity goal
17 determined in RSA 193-E:2-a. The general court shall use the definition of the opportunity for an
18 adequate education in RSA 193-E:2-a to determine the resources necessary to provide essential
19 programs, considering educational needs. The general court shall make an initial determination of
20 the necessary specific resource elements to be included in the opportunity for an adequate education.
21 The necessary specific resource elements shall include the costs for teachers, teacher benefits,
22 student teacher ratios, principals, administrative assistants, school counselors, library-media
23 specialists, technology coordinators, custodians, nurse services, instructional materials, technology,
24 professional development, facilities operation and maintenance, and transportation. The general
25 court shall update the cost of an adequate education at least every two years. The general court
26 shall use evidence from actual costs from all approved schools to determine the cost of an adequate
27 education. The education cost model shall evaluate the relative impact of the following attributes
28 that affect the differential cost of achieving any given level of outcome and assumed to be outside the
29 control of districts:

30 (a) Variation in student needs,

31 (b) Geographic variation in the price levels of necessary specific resource elements, and

32 (c) Structural or geographic factors such as district size and population density. The

33 education cost model shall include a universal base foundation opportunity cost factor, as identified
34 and periodically reviewed pursuant to RSA 198:40-a, V, and RSA 198:40-a, VI. The education cost
35 model shall be developed and applied consistent with statistical methods and best practices. The
36 total spending estimates generated through application of the education cost model shall vary by
37 school district to reflect the unique attributes of each district and the municipalities they serve. The

1 spending estimates shall be adjusted down by the universal efficiency factor as identified and
2 periodically reviewed pursuant to RSA 198:40-a. The total spending estimates determined by the
3 process in paragraph I, including the universal efficiency factor adjustment, shall be determined and
4 referred to as the “foundation opportunity budget” for each school district.

5 II. The general court shall determine factors and weight of such factors that may be applied
6 by the department of education on an annual basis to determine an “annual foundation opportunity
7 budget” for each school district as required by RSA 198:40-a. Such factors and weightings shall be
8 developed and applied consistent with statistical methods and best practices as documented in the
9 report from the commission to study school funding, submitted to the New Hampshire general court
10 on December 1, 2020, under the former RSA 193-E:2-e.

11 III. The annual foundation opportunity budget for each school district shall be subject to
12 adjustments as required by RSA 198:40-a and RSA 198:41.

13 4 Determination of Annual Foundation Opportunity Budget for Each School District. RSA
14 198:40-a is repealed and reenacted to read as follows:

15 198:40-a Determination of Annual Foundation Opportunity Budget.

16 I. Beginning July 1, 2026, the general court determines that the value of an opportunity for
17 an adequate education and the annual foundation opportunity budget as described in RSA 193-E:2,
18 RSA 193-E:2-b, and RSA 193-E:2-c for each school district shall be determined by the department of
19 education on annual basis in accordance with the requirements of paragraphs II through IV.

20 II. The general court determines that the annual foundation opportunity budget for each
21 school district shall be equal to the product of (i) the school district’s weighted ADMR, multiplied by
22 (ii) the universal base foundation opportunity cost.

23 III. For purposes of paragraph II, the term “weighted ADMR” means with respect to each
24 school district, the sum of the following, in each case as shall be determined and published by the
25 department of education:

26 (a) The ADMR; plus

27 (b) The number of students in the ADMR eligible for free and reduced price lunch
28 multiplied by 1.49; plus

29 (c) The number of students in the ADMR who qualify as English language learners
30 multiplied by 2.20; plus

31 (d) The number of students in the ADMR who are receiving special education services
32 multiplied by 4.29; plus

33 (e) A number based on size of the school district equal to the ADMR multiplied by a
34 factor determined as follows:

35 (1) If the total ADMR is between 1 and 200, a weight equal to the product of –
36 0.00451 multiplied by ADMR, plus 1.621;

1 (2) If the total ADMR is between 201 and 600, a weight equal to the product of –
2 0.00065 multiplied by ADMR, plus 0.845;

3 (3) If the total ADMR is between 601 and 1,200, a weight equal to the product of –
4 0.00006 multiplied by ADMR, plus 0.494;

5 (4) If the total ADMR is between 1,201 and 2,000, a weight equal to the product of –
6 0.00049 multiplied by ADMR, plus 1.008; and

7 (5) If the total ADMR is above 2,000, no additional weight.

8 (f) An additional number based on the level of instruction determined as follows:

9 (1) The number of students in the ADMR who are in grades 6-8 multiplied by 1.42;
10 plus

11 (2) The number of students in the ADMR in grades 9-12 multiplied by 0.42.

12 IV. For purposes of paragraph II, the term “universal base foundation opportunity cost”
13 shall equal \$7,031, subject to the review and redetermination process required by paragraph VI.

14 V. For purposes of paragraph II, the term “universal efficiency factor” shall mean 90
15 percent, subject to the review and redetermination process required by paragraph VI.

16 VI. The general court shall create a process for review and redetermination of the
17 weightings and values, including the universal base foundation opportunity cost and the universal
18 efficiency factor, all as set forth in RSA 193-E and RSA 198:40-a, no less frequently than every 10
19 years, provided that the first such review and redetermination shall be completed no later than
20 January 1, 2027.

21 VII. The purpose of the annual foundation opportunity budget determined in accordance
22 with this section and the state foundation opportunity grants determined under RSA 198:41 is to
23 provide state-funded resources to local school districts to assist them in undertaking programs and
24 actions that will enable them to achieve the statewide public education opportunity goal defined in
25 RSA 193-E:2-a. The foundation opportunity budgets and foundation opportunity grants are intended
26 to support local school districts and are measured on a district-by-district basis, and not on a per
27 pupil basis. Notwithstanding any other provision of law to the contrary, all of the funds provided to
28 local school districts under RSA 198:41 shall be used by the local school district as part of their local
29 education budget revenues, and none of such funds shall be used for any other purpose, including
30 but not limited to making payments to chartered public schools under RSA 194-B:11. Any such
31 payments under RSA 194-B:11 shall be made from other state funds specifically appropriated for
32 such purposes, including RSA 198:41-e.

33 5 Determination of State Foundation Opportunity Grants. RSA 198:41 is repealed and
34 reenacted to read as follows:

35 198:41 Determination of State Foundation Opportunity Grants.

1 I. Except for municipalities and unincorporated areas where there are no students, the
2 department of education shall determine the total state foundation opportunity grant for the
3 municipality which shall equal:

4 (a) The adjusted annual foundation opportunity budget by for each municipality;
5 reduced by

6 (b) Each municipality's minimum foundation local share contribution as determined in
7 accordance with RSA 198:41-a; and

8 (c) In the event that a municipality fails to raise by its local school tax the amount
9 determined in accordance with RSA 198:41-a, the deficiency shall be referred to the commissioner of
10 education and the attorney general for appropriate enforcement action, provided that reasonable
11 time shall be allowed for correction of the deficiency by informal processes and provided further that
12 the commissioner shall, after consultation with the attorney general, adopt regulations to implement
13 the enforcement provisions of this section.

14 II. For purposes of paragraph I, the term "adjusted annual foundation opportunity budget"
15 shall mean, with respect to each municipality, the annual foundation opportunity budget determined
16 in accordance with RSA 198:40-a, II multiplied by the applicable transition percentage, if any.

17 III. For purposes of paragraph II, the term "applicable transition percentage" shall mean:

18 (a) For fiscal year 2027, 86 percent;

19 (b) For fiscal year 2028, 89.5 percent;

20 (c) For fiscal year 2029, 93 percent;

21 (d) For fiscal year 2030, 96.5 percent;

22 (e) For fiscal year 2031 and later years, 100 percent.

23 IV. The department shall use the best available data and methods to estimate ADMR and
24 education grants by November 15 of the year preceding the school year for which aid is determined.

25 V. The department shall produce a revised estimate of grants using actual determination
26 year data for the purpose of setting municipal tax rates. A municipality's grant estimate shall not be
27 less than 95 percent of the estimate reported pursuant to paragraph IV. The commissioner of the
28 department of education shall provide the estimate for the current fiscal year to the commissioner of
29 the department of revenue administration no later than October 1 of each year.

30 VI. When final determination year data is available, but not later than April 1, the
31 department shall make a final determination of grant amounts. A municipality's grant estimate
32 shall not be less than 95 percent of the estimate reported pursuant to paragraph IV. The
33 department shall adjust the April grant disbursement required pursuant to RSA 198:42 so that the
34 total amount disbursed for the fiscal year shall match the final grant determination.

35 VII. Reports of grant determinations for municipalities required pursuant to paragraphs IV-
36 VI shall be available to the public by the date specified in paragraphs IV-VI, and the department

1 shall make available a report for multi-town school districts. The department of education shall
2 provide the department of revenue administration the information needed to set tax rates.

3 6 New Sections; Determination of Foundation Opportunity Budget Local Share; Transition
4 Grants. Amend RSA 198 by inserting after section 41 the following new sections:

5 198:41-a Determination of Foundation Opportunity Budget Local Share.

6 I. Each municipality shall annually appropriate for the support of public schools in the
7 municipality and in any regional school district to which the municipality belongs an amount equal
8 to not less than the foundation opportunity budget local share for the fiscal year. Based on the
9 definitions and other provisions in this chapter, the department of education shall estimate and
10 report such amounts to each municipality and regional school district as early as possible, but no
11 later than November 1 for the following school year. The commissioner shall file with the house and
12 senate committees on ways and means, not less than 30 days before said reports are transmitted to
13 each municipality and regional school district, copies or a document reporting all of the information
14 contained in the reports.

15 II. For purposes of paragraph I, the term “foundation opportunity budget local share”
16 means, with respect to each municipality, the lesser of:

17 (a) \$5.38 per \$1,000 of the municipality’s equalized assessed valuation of all property
18 subject to the municipality’s school tax, or

19 (b) 90 percent of the municipality’s adjusted annual foundation opportunity budget
20 share. The adjusted foundation opportunity budget local share shall be calculated separately for
21 each municipality’s share of each district to which it belongs, provided that if the statewide total of
22 all local shares initially calculated pursuant to the provisions of this section exceeds 52 percent of
23 the statewide sum of the foundation opportunity budgets for all school districts, less costs paid for
24 from federal sources, the local shares shall then be recalculated by the commissioner using such
25 lower uniform local share tax rate applied to the equalized valuation of all property taxable by the
26 local government as is necessary to reduce the total of all local shares to said 52 percent.

27 III. A district may vote appropriations in support of its public schools in excess of its
28 foundation opportunity budget local share.

29 IV. Each cooperative school district shall identify the foundation opportunity budget local
30 share for each of its participating municipalities as part of its RSA 198:4-a report of appropriations
31 voted; provided that no addition to the school district’s tax rate for any participating municipality
32 shall be required if the school district’s tax rate for the municipality is equal to or greater than the
33 rate required for the municipality’s adjusted foundation opportunity budget local share.

34 198:41-b Determination of Transition Grants.

35 I. For fiscal year 2027, the department of education shall identify all municipalities in which
36 the total state foundation opportunity grant for such year will be less than the fiscal year 2026 total

1 education grant. The department shall distribute a transition grant to each of those municipalities
2 equal to 100 percent of the decrease.

3 II. For fiscal year 2028, the department of education shall identify all municipalities in
4 which the total state foundation opportunity grant for such year will be less than the fiscal year 2026
5 total education grant. The department shall distribute a transition grant to each of those
6 municipalities equal to 90 percent of the decrease.

7 III. For fiscal year 2029, the department of education shall identify all municipalities in
8 which the total state foundation opportunity grant for such year will be less than the fiscal year 2026
9 total education grant. The department shall distribute a transition grant to each of those
10 municipalities equal to 80 percent of the decrease.

11 IV. For fiscal year 2030, the department of education shall identify all municipalities in
12 which the total state foundation opportunity grant for such year will be less than the fiscal year 2026
13 total education grant. The department shall distribute a transition grant to each of those
14 municipalities equal to 60 percent of the decrease.

15 V. For fiscal year 2031, the department of education shall identify all municipalities in
16 which the total state foundation opportunity grant for such year will be less than the fiscal year 2026
17 total education grant. The department shall distribute a transition grant to each of those
18 municipalities equal to 40 percent of the decrease.

19 VI. For fiscal year 2032, the department of education shall identify all municipalities in
20 which the total state foundation opportunity grant for such year will be less than the fiscal year 2026
21 total education grant. The department shall distribute a transition grant to each of those
22 municipalities equal to 20 percent of the decrease.

23 VII. There is appropriated annually on July 1 the sums required for the estimated
24 cumulative sum of transition grants in this section. The source of funds for payments under this
25 section shall be moneys from the education trust fund established in RSA 198:39. The governor is
26 authorized to draw a warrant from the education trust fund to satisfy the state's obligation under
27 this section. Such warrant for payment shall be issued regardless of the balance of funds available
28 in the education trust fund. If the balance in the education trust fund, after the issuance of any such
29 warrant, is less than zero, the state comptroller shall transfer sufficient funds from the general fund
30 to eliminate such deficit. The commissioner of the department of administrative services shall
31 inform the fiscal committee and the governor and council of such balance. This reporting shall not in
32 any way prohibit or delay the distribution of payments.

33 7 New Paragraph; Cooperative School Districts; Apportionment of Costs. Amend RSA 195:14 by
34 inserting after paragraph III the following new paragraph:

35 IV. Notwithstanding any other law to the contrary, each cooperative school district shall
36 deduct the total amount of the district's adjusted foundation opportunity grants and adjusted
37 foundation opportunity budget local shares from the cooperative school district budget before

1 apportionment of any remaining school costs to member municipalities in accordance with the
2 district's applicable apportionment formula.

3 8 School Tax Rate Computation. RSA 198:4-a, IV is repealed and reenacted to read as follows:

4 IV. The commissioner of revenue administration shall compute the rate percent of taxation
5 for school district purposes from such certificate, provided that no separate increment to the school
6 district tax rate to raise funds for a participating municipality's foundation opportunity budget local
7 share shall be required if the municipality's computed school tax rate, without consideration of the
8 municipality's foundation opportunity budget local share, is equal to or greater than the rate
9 calculated pursuant to RSA 198:41-a, II.

10 9 New Subparagraph; Education Trust Fund; Transition Grants. Amend RSA 198:39, I by
11 inserting after subparagraph (k) the following new subparagraph:

12 (l) Transition grants under RSA 198:41-b.

13 10 Data Related to Provision of Public Education. Amend the section heading of RSA 193-E:3
14 and RSA 193-E:3, I to read as follows:

15 193-E:3 Delivery of **Data Related to Provision of Public** ~~[an Adequate]~~ Education.

16 I. Annually, each school district shall report data to the department of education at the
17 school and district levels on the indicators set forth in this paragraph. The report shall not contain
18 personally identifiable information including but not limited to name, gender, or social security
19 number. The department of education shall develop a reasonable schedule to collect the reporting of
20 data required by state and federal law. The requirements for data keeping and the form of the
21 report shall be established in accordance with rules adopted by the state board of education.
22 Indicators shall include the following areas:

23 (a) **Enrollment, average daily membership in attendance, and attendance rates**
24 ~~[Attendance rates]~~.

25 (b) Annual and cumulative drop-out rates of high school students and annual drop-out
26 rates for students in grades 7 and 8.

27 (c) School environment indicators, such as safe-schools data.

28 (d) Number and percentage of graduating high school students.

29 (e) Number and percentage of graduating high school students going on to postsecondary
30 education, military service, and an advanced learning program leading to a value added skill or
31 career certification.

32 (f) Number and percentage of students earning a career and technical education
33 industry recognized credential.

34 (g) Number and percentage of students completing a career pathway program of study.

35 (h) Number and percentage of high school students who earned postsecondary credit of
36 C or better for one or more concurrent or dual enrollment courses from a New Hampshire
37 postsecondary college or university.

- 1 (i) Number of students that completed a New Hampshire scholars program of study.
- 2 (j) Number and percentage of students that completed and passed an advanced
3 placement exam with a score of 3, 4 or 5; or International Baccalaureate exam with a score of 4, 5, 6,
4 or 7.
- 5 (k) Number of students that scored at least a level III on components of the ASVAB, as
6 defined in RSA 186:68, I, that comprise the Armed Forces Qualification Test (AFQT).
- 7 (l) The number and percentage of high school students that either met or exceeded the
8 college and career ready benchmark established by the department for either the SAT or ACT.
- 9 (m) ***Career and technical education participation rates.*** [~~Expulsion and
10 suspension rates, including in-school and out-of-school suspensions including data identifying the
11 percentage of out-of-school suspensions of more than 10 days for each school year. This indicator
12 shall be categorized by district, school, and grade level with each category disaggregated and broken
13 down by gender, race, IEP, and eligibility for free and reduced-price meal programs.]~~
- 14 (n) Teacher and administrative turnover rates at the school and district levels.
- 15 (o) ***The number and percentage of graduating high school students provided in-
16 person school assistance in completing a free application for federal student aid (FAFSA)
17 form.***
- 18 (p) ***Access to community or school-based early childhood education programs.***
- 19 (q) ***Progress toward competency-based student experiences that emphasize
20 work-study practices and community-based learning (such as extended learning
21 opportunities).***
- 22 (r) ***Implementation of structural reforms to achieve greater efficiency and
23 effectiveness related to school or district size, technology-mediated instruction, and cross-
24 district collaboration.***
- 25 (s) ***An outline of the curriculum and graduation requirements of the district.***
- 26 (t) ***Pupil/teacher ratios and class size policy and practices.***
- 27 (u) ***Teacher and administrator evaluation procedures.***
- 28 (v) ***Statistics, policies, and procedures relative to truancy and dropouts.***
- 29 (w) ***Statistics, policies, and procedures relative to expulsions and in-school and
30 out-of-school suspensions, and suspensions of more than 10 days. These data shall be
31 categorized by district, school, and grade level with each category disaggregated and
32 broken down by gender, race, IEP, and eligibility for free and reduced-price meal
33 programs.***
- 34 (x) ***Number of school-age children attending public schools, private schools,
35 homeschools, dual enrollment with a community college, alternative schools, and EFA
36 students.***
- 37 (y) ***Racial composition of teaching and administrative staff.***

1 ***(z) Art and music programs.***

2 ***(aa) Technology education.***

3 ***(bb) Programs to encourage and improve student effort and growth.***

4 ***(cc) Adult education programs.***

5 ***(dd) Library and media facilities.***

6 ***(ee) Condition of instructional materials including textbooks, workbooks,***
7 ***audio-visual materials, and laboratory materials.***

8 ***(ff) Types and condition of computers and computer software.***

9 ***(gg) Basic skills remediation programs.***

10 ***(hh) Drug, tobacco, and alcohol abuse programs.***

11 ***(ii) Multi-cultural education training for students and teachers.***

12 ***(jj) Global education.***

13 ***(kk) Nutrition and wellness programs.***

14 11 School Performance and Accountability; Underperforming Schools. RSA 193-H:3 is repealed
15 and reenacted to read as follows:

16 193-H:3 Underperforming Schools.

17 I. The commissioner may, on the basis of student performance data collected pursuant to
18 RSA 193-E:3 and rules adopted by the state board of education, designate one or more schools in a
19 school district as underperforming. The state board shall adopt rules establishing standards for the
20 commissioner to make such designations on the basis of data collected pursuant to RSA 193-E:3.
21 Schools with average student performance that score in the lowest 20 percent statewide among
22 students in a common grade levels on a single normalized measure developed by the department
23 that takes into account multiple factors of student performance data, including but not limited to
24 performance on statewide assessment tests, graduation rates and attendance rates, and, beginning
25 on July 1, 2028, improvement in student academic performance, shall be deemed eligible for
26 designation as underperforming.

27 II. The commissioner shall annually compile and disseminate to the governor and council,
28 the president of the senate, the speaker of the house of representatives, local school boards,
29 superintendents of schools, and the public, and shall make available on the department website, a
30 list of underperforming schools.

31 III. A school or school district designated by the commissioner as an underperforming school
32 shall have 30 days from the date of the designation to appeal such designation to the state board of
33 education.

34 12 Local Education Improvement Plan. RSA 193-H:4 is repealed and reenacted to read as
35 follows:

36 194-H:4 Local Education Improvement Plan; Strategic Responses.

1 I. A school shall have one year from the date that a school has been designated as an
2 underperforming school pursuant to RSA 193-H:3 to take action to remedy identified problems at the
3 local level.

4 II. Upon the designation of a school as an underperforming school in accordance with
5 regulations developed pursuant to this section, the superintendent of the district, with approval by
6 the commissioner, shall create a turnaround plan for the school. The commissioner may allow for an
7 expedited turnaround plan for schools that have been previously designated as underperforming and
8 where the district has a turnaround plan that has had a public comment period and approval of the
9 local school board.

10 III. In creating the turnaround plan, the superintendent shall include, after considering the
11 recommendations from local stakeholders, which may include students, parents/guardians, teachers,
12 and administrators, the school board, advisory boards, and any provisions intended to maximize the
13 rapid academic achievement of students at the school and shall, to the extent practicable, base the
14 plan on student outcome data, including, but not limited to performance on statewide assessment
15 tests, graduation rates and attendance rates for different subgroups of students, including students
16 eligible for free and reduced price lunch, English language learners and students receiving special
17 education.

18 IV. The superintendent shall also include in the creation of the turnaround plan, after
19 considering the recommendations of the local stakeholder group, the following:

20 (a) Steps to address social service and health needs of students at the school and their
21 families, to help students arrive and remain at school ready to learn; provided, however, that this
22 may include mental health and substance abuse screening;

23 (b) Steps to improve or expand child welfare services and, as appropriate, law
24 enforcement services in the school community, in order to promote a safe and secure learning
25 environment;

26 (c) Steps to improve workforce development services provided to students and their
27 families at the school, to provide students and families with meaningful employment skills and
28 opportunities;

29 (d) Steps to address achievement gaps for English learners, special education students
30 and low-income students;

31 (e) Alternative English language learning programs for English learners; and

32 (f) A financial plan for the school, including any additional funds to be provided by the
33 district, state, federal government or other sources.

34 V. To assess the school across multiple measures of school performance and student success,
35 the turnaround plan shall include measurable annual goals including, but not limited to:

36 (a) Student attendance, dismissal rates and exclusion rates;

37 (b) Student safety and discipline;

- 1 (c) Student promotion and graduation and dropout rates;
- 2 (d) Student achievement on the statewide assessment test;
- 3 (e) Progress in areas of academic underperformance;
- 4 (f) Progress among subgroups of students, including students eligible for free and
- 5 reduced price lunch,, English language learners and students receiving special education;
- 6 (g) Reduction of achievement gaps among different groups of students;
- 7 (h) Student acquisition and mastery of 21st century skills;
- 8 (i) Development of college readiness, including at the elementary and middle school
- 9 levels;
- 10 (j) Parent and family engagement;
- 11 (k) **Building a culture of academic success among students;**
- 12 (l) Building a culture of student support and success among school faculty and staff; and
- 13 (m) Developmentally appropriate child assessments.

14 13 New Section; Persistent Disparities. Amend RSA 193-H by inserting after section 5 the
15 following new section:

16 193-H:6 Persistent Disparities.

17 I. The commissioner shall establish statewide targets for addressing persistent disparities in
18 achievement among student subgroups in the aggregate and within subcategories, including, but not
19 limited to, subject matter and relevant grade levels. The targets shall include annual benchmarks
20 on the progress expected to be achieved in the aggregate and by subcategory.

21 II. Each district shall establish targets for addressing persistent disparities in achievement
22 among student subgroups consistent with the targets established by the department. Each district
23 shall develop an evidence-based 3-year plan to meet its targets. Each district's plan shall be
24 developed by the superintendent in consultation with the school board and shall consider input and
25 recommendations from parents and other relevant community stakeholders, including but not
26 limited to, special education and English learner parent advisory councils, school improvement
27 councils and educators in the school district.

28 III. The 3-year plan shall be submitted in a form and manner prescribed by the department
29 and shall include, but not be limited to:

30 (a) A description of how the approved district budget will be allocated among schools in
31 the district, by foundation category, to be used in support of the plan, including how other local,
32 state, federal and grant-based funding sources will be used; provided, however, that the description
33 shall include an explanation of the relationship between the allocation of the funds and the
34 educational needs of English learners and low-income students;

35 (b) A description of the evidence-based programs, supports and interventions that the
36 school district will implement to address persistent disparities in achievement among student
37 subgroups, including, but not limited to:

- 1 (1) Expanded learning time in the form of a longer school day or school year;
- 2 (2) Increased opportunity for common planning time for teachers;
- 3 (3) Social services to support students' social-emotional and physical health;
- 4 (4) Hiring school personnel that best support improved student performance;
- 5 (5) Increased or improved professional development;
- 6 (6) Purchase of curriculum materials and equipment that are aligned with the
- 7 statewide curriculum frameworks;
- 8 (7) Expanding early education and pre-kindergarten programming within the
- 9 district in consultation or in partnership with community-based organizations;
- 10 (8) Diversifying the educator and administrator workforce;
- 11 (9) Developing additional pathways to strengthen college and career readiness; and
- 12 (10) Any other program determined to be evidence-based by the commissioner;

13 provided, however, that if a district elects not to implement the evidence-based programs described
14 in clauses (1)-(9), the district plan shall specify the reasons for electing not to implement said
15 programs including a description of why said programs would not effectively address persistent
16 disparities in achievement among student subgroups;

17 (c) Identification of outcome metrics to be used by the district to measure success in
18 addressing persistent disparities in achievement among student subgroups; provided, however, that
19 the department shall develop standard metrics that may be incorporated in district plans and may
20 include:

- 21 (1) Results from the statewide student assessment including student growth;
- 22 (2) Results from the English proficiency assessment administered to English
- 23 learners;
- 24 (3) Grade-level completion and attendance data;
- 25 (4) Participation in advanced coursework; and
- 26 (5) Other indicators of district and school climate, diversity and performance; and

27 (d) A description of how the district will effectuate and measure increased parent
28 engagement, including, but not limited to, specific plans targeted to parents of students eligible for
29 free and reduced price lunch, English language learners and students with disabilities.

30 IV. Each district shall submit its plan to the department every 3 years. Upon receipt of a
31 district plan, the commissioner shall review the plan to ensure that it sets forth clear and achievable
32 goals and measurable standards for student improvement that comply with the requirements of this
33 section; provided, however, that the district shall amend any plan deemed not to conform with the
34 requirements of this section. Following the submission of a 3-year plan, each district shall annually,
35 not later than April 1, submit to the department:

36 (a) Relevant data, pursuant to its plan, to assess success in addressing persistent
37 disparities in achievement among student subgroups; and

1 (b) Amendments to the plan that reflect changes deemed necessary to improve district
2 performance in meeting plan goals. Each plan shall be made publicly available on both the
3 submitting district's website and the department's website.

4 V. Annually, not later than December 31, the commissioner shall submit a report to the
5 clerks of the house of representatives and the senate and the chairs of the house and senate
6 committees on education on the progress made in addressing persistent disparities in achievement
7 among student subgroups in the aggregate and within subcategories on a statewide basis; provided,
8 however, that district and school-level data shall be made available on the department's website
9 along with the report.

10 14 Statewide Education Property Tax. Amend RSA 76:3 to read as follows:

11 76:3 Education Tax.

12 **I.** Beginning July 1, **2025** [~~2005~~], and every fiscal year thereafter, the commissioner of the
13 department of revenue administration shall set the education tax rate at a level sufficient to
14 generate revenue of \$363,000,000 when imposed on all persons and property taxable pursuant to
15 RSA 76:8, except property subject to tax under RSA 82 and RSA 83-F. The education property tax
16 rate shall be effective for the following fiscal year. The rate shall be set to the nearest 1/2 cent
17 necessary to generate the revenue required in this section.

18 **II.** *The amount of \$363,000,000 specified in RSA 76:3 shall be adjusted annually for*
19 *inflation and rounded to the nearest \$100 by the commissioner of the department of*
20 *revenue administration based on the average change in the Consumer Price Index for All*
21 *Urban Consumers, Northeast Region as published by the United States Bureau of Labor*
22 *Statistics. The average change shall be calculated using the calendar year ending 6*
23 *months prior to the beginning of the current fiscal year.*

24 15 Chartered Public Schools; Study for Appropriate State Funding. Amend RSA 198 by
25 inserting after section 41 the following new section:

26 198:41-a Funding for Chartered Public Schools and Education Freedom Accounts.

27 I. For the biennium beginning July 1, 2026, state money for education freedom accounts
28 RSA 194-F and chartered schools RSA 194-B will be as follows:

29 (a) A cost of \$4,100 per pupil; plus

30 (b) An additional \$2,300 for each pupil who is eligible for a free or reduced price meal
31 anytime during the determination year; plus

32 (c) An additional \$800 for each pupil who is an English language learner anytime during
33 the determination year; plus

34 (d) An additional \$2,100 for each pupil who is receiving special education services
35 anytime during the determination year.

36 (e) For chartered schools, the pupil's school district (municipality) of residence will
37 receive the differentiated aid amount calculated in (d).

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1 16 Education; Education Freedom Accounts; Definitions. Amend RSA 194-F:1, I to read as
2 follows:

3 I. [~~"Adequate education grant"~~] **"EFA grant"** means the grant calculated under RSA 198:41.

4 17 Education; Education Freedom Accounts; Program. Amend RSA 194-F:2, I to read as follows:

5 I. The commissioner of the department of education shall transfer to the scholarship
6 organization the per pupil [~~adequate education~~] **EFA** grant amount under [~~RSA 198:40-a~~] RSA
7 198:41-a [~~, plus any differentiated aid that would have been provided to a public school for that~~
8 ~~eligible student~~]. The transfers shall be made in accordance with the distribution of adequate
9 education grants under RSA 198:42.

10 18 Chartered Public Schools; Funding. Amend RSA 194-B:11, I(a) and I(b) to read as follows:

11 I.(a) There shall be no tuition charge for any pupil attending a charter conversion school
12 located in that pupil's resident district. Funding limitations in this chapter shall not be applicable to
13 charter conversion schools located in a pupil's resident district. For a chartered public school
14 authorized by the school district, **there shall be paid to such chartered public school the**
15 **amount determined pursuant to RSA 198:41-e.** [~~the pupil's resident district shall pay to such~~
16 ~~school an amount equal to not less than 80 percent of that district's average cost per pupil as~~
17 ~~determined by the department of education using the most recent available data as reported by the~~
18 ~~district to the department. For pupils resident in this state who attend full-time a chartered public~~
19 ~~school authorized by a school district other than the pupil's resident school district, the state shall~~
20 ~~pay tuition amounts pursuant to RSA 198:40-a directly to the chartered public school for such pupil~~
21 ~~in the chartered public school's ADMR. Nothing in this subparagraph shall alter or modify the~~
22 ~~funding of the Virtual Learning Academy Charter School].~~

23 (b)(1)(A) Except as provided in subparagraph (2), for a chartered public school
24 authorized by the state board of education pursuant to RSA 194-B:3-a, the state shall pay tuition
25 amounts pursuant to **RSA 198:41-e**, [~~RSA 198:40-a, II(a)-(e) and (e)~~] plus an additional grant of
26 \$4,900 to all chartered public schools for the fiscal year ending June 30, 2024 and each fiscal year
27 thereafter, except for the Virtual Learning Academy Charter School, directly to the chartered public
28 school for each pupil who is a resident of this state in the chartered public school's ADMR.
29 Beginning July 1, 2024 and every fiscal year thereafter, the department of education shall adjust the
30 per pupil amount of the additional grant pursuant to RSA 198:40-d. The state shall pay amounts
31 required pursuant to **RSA 198:41-e** [~~RSA 198:40-a, II(d)~~] directly to the resident district.

32 (B) For the Virtual Learning Academy Charter School authorized pursuant to
33 RSA 194-B:3-a, the state shall pay tuition amounts pursuant to **RSA 198:41-e** [~~RSA 198:40-a, II(a)-~~
34 ~~(e) and (e)~~], plus an additional grant of \$2,036 directly to the Virtual Learning Academy Charter
35 School for each eligible full-time enrolled pupil in the chartered public school's ADMR. The state
36 shall pay amounts required pursuant to **RSA 198:41-e** [~~RSA 198:40-a, II(d)~~] directly to the resident
37 district. The state shall also pay tuition amounts pursuant to **RSA 198-41-a** [~~RSA 198:40-a, II(a)~~]

1 plus an additional grant of \$2,036 directly to the Virtual Learning Academy Charter School for each
2 full-time equivalent pupil. Beginning July 1, 2017 and every July 1 thereafter, the department of
3 education shall adjust the per pupil amount of the additional grant pursuant to RSA 198:40-d.

4 (2) For an online chartered public school which receives its initial authorization to
5 operate from the state board of education pursuant to RSA 194-B:3-a on or after July 1, 2013, the
6 state shall pay tuition amounts pursuant to ***RSA 198:41-e*** [~~RSA 198:40-a~~] directly to the online
7 chartered public school for each pupil who is a resident of this state in the chartered public school's
8 ADMR. In this subparagraph, "online chartered public school" means a chartered public school
9 which provides the majority of its classes and instruction on the Internet.

10 19 Kindergarten Adjustments. Amend RSA 198:48-b to read as follows:

11 198:48-b Kindergarten [~~Adequate Education Grants~~]; ***Foundation Opportunity Budget***
12 ***Adjustment***. Notwithstanding any provision of law to the contrary:

13 I. A school district which operates a full-day kindergarten program in any school year in
14 which the ***foundation opportunity budget*** [~~adequate education grant~~] provided pursuant to ***RSA***
15 ***198:40-a*** [~~RSA 198:42~~] does not include a count of the full-day kindergarten students, shall ***have the***
16 ***foundation opportunity budget adjusted*** [~~receive an additional adequate education grant~~] based
17 on the number of pupils [~~attending kindergarten in the district as of the beginning of the school year.~~

18 [~~II. The per pupil amount of the additional education grant provided in this section shall be~~
19 ~~50 percent of the amount distributed under RSA 198:40-a, II(a), based on the number of pupils]~~
20 enrolled and present on the first day of school in the current year in a full-day kindergarten program
21 in the district.

22 ***II.*** Once pupils enrolled in an approved kindergarten program have been counted in the
23 average daily membership, ***the foundation opportunity budget for the school district shall be***
24 ***calculated in accordance with RSA 198:40-a*** [~~school districts shall receive, for each such pupil,~~
25 ~~an adequate education grant calculated in accordance with RSA 198:40-a, II].~~

26 [~~III. For the fiscal year ending June 30, 2021, and every fiscal year thereafter, the amount~~
27 ~~necessary to fund the grants under this section is hereby appropriated to the department from the~~
28 ~~education trust fund established in RSA 198:39. If the balance in the education trust fund is less~~
29 ~~than zero, the governor is authorized to draw a warrant for sufficient funds to eliminate such deficit~~
30 ~~out of any money in the treasury not otherwise appropriated. The commissioner of the department~~
31 ~~of administrative services shall inform the fiscal committee and the governor and council of such~~
32 ~~balance. This reporting shall not in any way prohibit or delay the distribution of kindergarten~~
33 ~~adequate education grants.]~~

34 20 Property Taxation; Commissioner's Warrant. Amend RSA 76:8, II to read as follows:

35 II. The commissioner shall issue a warrant under the commissioner's hand and official seal
36 for the amount computed in paragraph I to the selectmen or assessors of each municipality by
37 December 15 directing them to assess such sum and [~~pay it to the municipality for the use of the~~

1 school ~~district or districts~~], *pay all revenue received to the department of revenue*
2 *administration for deposit in the education trust fund. Such payments by municipalities*
3 *shall be made in 4 quarterly installments in accordance with schedules, standards, and*
4 *procedures established by rules adopted by the department of revenue administration after*
5 *consultation with the commissioner of education.* Such sums shall be assessed at such times as
6 may be prescribed for other taxes assessed by such selectmen or assessors of the municipality.

7 21 Property Tax Bill Information. Amend RSA 76:11-a, II to read as follows:

8 II. The tax bill shall also contain a statement informing the taxpayer of the types of tax
9 relief for which the taxpayer has the right to apply. *The statement shall explicitly list the low*
10 *and moderate income homeowners property tax relief program specified by RSA 198:57 and*
11 *shall include information on how to apply for the program.* The following statement shall be
12 considered adequate:

13 "If you are elderly, disabled, blind, a veteran, or veteran's spouse, or are unable to pay taxes due to
14 poverty or other good cause, you may be eligible for a tax exemption, credit, abatement, or deferral,
15 *which can reduce your current property tax bill.* For details and application information,
16 contact (insert title of local assessing officials or office to which application should be made *and*
17 *deadline for application*).

18 *Depending on your income, you may also be eligible for a refund of some of your taxes*
19 *under the low and moderate income homeowners property tax relief program. To find out*
20 *how to get a refund, call the New Hampshire department of revenue administration at*
21 *(insert current telephone number here) or visit the department's website (insert current*
22 *website address here). Applications for refunds are due by June 30."*

23 This statement shall be prominent [~~and~~], legible, *and printed in at least 12-point boldface type,*
24 and may either be printed on the tax bill itself, or on a separate sheet of paper enclosed with the tax
25 bill. A municipality may in its discretion choose to include more detailed information about the
26 eligibility criteria for different forms of tax relief, provided, however, that the information in the
27 above statement shall be considered a minimum.

28 22 New Subparagraph; Education Trust Fund. Amend RSA 198:39, II(k) to read as follows:

29 (k) *The full amount of education property tax payments from the department of*
30 *revenue administration pursuant to RSA 76:8, II.*

31 (l) Any other moneys appropriated from the general fund.

32 23 Repeal; State Tax Warrant; Determination of Education Grants. RSA 198:41, I(b) relative to
33 subtracting the amount of the state education tax warrant in the determination of grants, is
34 repealed.

35 24 Low and Moderate Income Homeowners Property Tax Relief. RSA 198:57, III and IV are
36 repealed and reenacted to read as follows:

37 III. An eligible tax relief claimant is a person who:

- 1 (a) Owns a homestead or interest in a homestead subject to the education tax;
- 2 (b) Resided in such homestead on April 1 of the date of the final tax bill as defined in
- 3 RSA 76:1-a for the year for which the claim is made, except such persons as are on active duty in the
- 4 United States armed forces or are temporarily away from such homestead but maintain the
- 5 homestead as a primary domicile; and
- 6 (c) Realizes total household income of:
- 7 (1) \$65,000 or less if a single person;
- 8 (2) \$77,500 or less if a married person or head of a New Hampshire household.

9 IV. All or a portion of an eligible tax relief claimant's education property taxes shall be

10 rebated as follows:

11 (a) Multiply the total local assessed value of the claimant's property by the percentage of

12 such property that qualifies as the claimant's homestead;

13 (b) Multiply \$165,000 by the most current local equalization ratio as determined by the

14 department of revenue administration;

15 (c) Multiply the lesser of the amount determined in subparagraph (a) or (b) by the sum

16 of the following:

17 (1) The local education tax rate as shown on the tax bill under RSA 76:11 and;

18 (2) The state education tax rate as shown on the tax bill under RSA 76:11.

19 (d) Multiply the product of the calculation in subparagraph (c) by the following

20 percentage as applicable to determine the amount of tax relief available to the claimant, provided

21 that the maximum amount of tax relief available to any claimant in any fiscal year shall not exceed

22 \$1,100:

23 (1) If a single person and total household income is:

24 (A) less than or equal to \$27,000, 100 percent;

25 (B) More than \$27,000 but less than or equal to \$65,000, a percentage that is

26 reduced from 95 percent by 5 percent for each \$2,000 of household income above \$27,000;

27 (C) More than \$65,000, zero percent.

28 (2) If a head of a New Hampshire household or a married person and total household

29 income is:

30 (A) less than or equal to \$39,500, 100 percent;

31 (B) More than \$39,500 but less than or equal to \$77,500, a percentage that is

32 reduced from 95 percent by 5 percent for each \$2,000 of household income above \$39,500;

33 (C) More than \$77,500, zero percent.

34 (e) The amount determined by subparagraph (d) is the allowable tax relief in any year,

35 provided however that the aggregate of tax relief checks issued by the commissioner to all taxpayers

36 claiming eligibility for tax relief shall not exceed \$30,000,000 for the fiscal year to which the claim

37 applies, exclusive of late filed claims which are accepted by the commissioner pursuant to paragraph

1 VI(b) which shall be counted against the \$30,000,000 limit for the fiscal year in which the claims are
2 received, and that the commissioner shall reduce proportionally the amount of each taxpayer's tax
3 relief check for that fiscal year when a reduction is necessary to conform to the \$30,000,000 limit for
4 that fiscal year.

5 25 New Paragraphs; Low and Moderate Income Homeowners Property Tax Relief; Adjustment
6 for Inflation; Forms. Amend RSA 198:57 by inserting after paragraph VIII the following new
7 paragraphs:

8 IX. The amounts specified in subparagraph III(c), IV(b), IV(d), and IV(e) shall be adjusted
9 annually for inflation and rounded to the nearest \$100 by the commissioner of the department of
10 revenue administration based on the average change in the Consumer Price Index for All Urban
11 Consumers, Northeast Region as published by the Bureau of Labor Statistics, United States
12 Department of Labor. The average change shall be calculated using the calendar year ending 12-
13 months prior to the beginning of the program year.

14 X. Each year, on or about May 1, the department of revenue administration shall mail the
15 current year forms necessary to apply for property tax relief to each homeowner who received
16 property tax relief under the provisions of paragraph IV in the prior year.

17 26 Study Committee on Low and Moderate Income Homeowners Property Tax Relief. There is
18 established a committee to study the low and moderate income homeowners property tax relief
19 program authorized by RSA 198:57-58.

20 I. The members of the committee shall be as follows:

21 (a) Three members of the senate, appointed by the president of the senate.

22 (b) Four members of the house of representatives, appointed by the speaker of the house
23 of representatives.

24 II. Members of the committee shall receive mileage at the legislative rate when attending to
25 the duties of the committee.

26 III.(a) The committee shall study, with the assistance of the commissioner of the department
27 of revenue administration, issues relating to the extension of the low and moderate income
28 homeowners property tax relief program to tenants who indirectly pay education property taxes as
29 part of the rent that they pay for the right to live in their principal place of residence and domicile
30 and shall make recommendations regarding said extension;

31 (b) The committee shall also study, with the assistance of the commissioner of the
32 department of revenue administration, the relationship between household income, property values,
33 and property taxation, as well as the sufficiency of data relating to that relationship that is currently
34 available to the department of revenue administration, including data needed to determine the
35 impact of property tax changes by property classification, value, and ownership status, including
36 owner-occupied, out-of-state, commercial, residential, or other relevant ownership categories, and
37 shall report on its findings and recommendations on said relationship, data sufficiency, and changes

1 in assessment data collected, eligibility, and funding levels that would improve the low and
2 moderate income homeowners property tax relief program.

3 (c) The committee shall also study, with the assistance of the commissioner of the
4 department of revenue administration, the components of a statewide property tax deferral program
5 designed to provide relief to homeowner property taxpayers where taxpayer-specific circumstances
6 temporarily impair such taxpayers ability to timely pay their property tax bills, and shall make
7 recommendations regarding the development of such a program.

8 (d) The committee may solicit input or testimony from any person or organization the
9 committee deems relevant to the study.

10 IV. The members of the committee shall elect a chairperson from among the members. The
11 first meeting shall be called by the first-named house member. The first meeting of the committee
12 shall be held within 45 days of the effective date of this section. Four members of the committee
13 shall constitute a quorum.

14 V. The committee shall report its findings and any recommendations for proposed legislation
15 to the president of the senate, the speaker of the house of representatives, the senate clerk, the
16 house clerk, the governor, and the state library on or before November 1, 2026.

17 27 Effective Date.

18 I. Sections 2-9 of this act shall take effect July 1, 2025.

19 II. Sections 10-13 of this act shall take effect July 1, 2028.

20 III. The remainder of this act shall take effect July 1, 2025.

HB 772-FN- FISCAL NOTE
AS INTRODUCED

AN ACT establishing a foundation opportunity budget program for funding public education.

FISCAL IMPACT:

Estimated State Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
Revenue	\$0	Indeterminable Increase		
<i>Revenue Fund(s)</i>	Education Trust Fund			
Expenditures*	\$600,000	\$0	Indeterminable Increase	
<i>Funding Source(s)</i>	General Fund and Education Trust Fund			
Appropriations*	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

***Expenditure = Cost of bill**

***Appropriation = Authorized funding to cover cost of bill**

Estimated Political Subdivision Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
Local Revenue	\$0	Indeterminable		
Local Expenditures	\$0	\$0	\$0	\$0

The Office of Legislative Budget Assistant is unable to provide a complete fiscal note for this bill as it is awaiting information from the Department of Education. The Department was initially contacted on 01/06/25 for a fiscal note worksheet, with follow-up contact made on 07/30/25 and 05/19/26. When completed, the fiscal note will be forwarded to the House Clerk's Office.

METHODOLOGY:

This fiscal note illustrates a potential impact based on the bill's effective date of July 1, 2025, for many sections, which has passed. Modifying the effective date would push the potential impacts to future periods.

This bill modifies the determination and funding for an opportunity for a constitutionally adequate education by establishing foundation opportunity budgets and state foundation opportunity grants. While information is not available from the Department of Education (DOE)

for a complete fiscal note, the Department of Revenue Administration (DRA) has provided the following understanding and assumptions related to this bill:

School Tax Rate Calculation

Section 8 of this bill modifies the calculation of the school district portion of each municipality's tax rate. DRA is unable to determine the intended calculation because the bill contains ambiguities regarding the use of tax rates, appropriations, local shares, municipalities, and school districts. As drafted, DRA cannot identify a calculation methodology that could be programmed and administered and recommends these provisions be clarified.

If the provisions are clarified, implementation would still require substantial modifications to the Municipal Tax Rate Setting Portal (MTRSP). DRA estimates these changes would cost at least \$300,000. DRA also believes the effective date of July 1, 2025, would not provide sufficient time to complete the required programming, testing, and implementation.

Statewide Education Property Tax (SWEPT)

Section 14 requires annual inflation adjustments to the amount of revenue generated by SWEPT. Sections 20 and 22 require municipalities to remit all SWEPT revenue to DRA for deposit into the Education Trust Fund (ETF) through quarterly payments. To administer these changes, DRA would need to develop new forms and modify both its Revenue Information Management System (RIMS) and Granite Tax Connect (GTC) portal at an estimated cost of at least \$300,000. DRA also recommends adding an applicability date tied to the April 1 property tax taxable period to clarify implementation.

Low and Moderate Income Homeowners Property Tax Relief (L&M)

Sections 24 through 26 expand the L&M program by increasing income eligibility limits, increasing the maximum homestead value and award amount, extending relief to local education taxes, requiring annual inflation adjustments, and establishing a study committee. DRA notes that the proposed residency language may benefit from clarification to ensure consistency with existing statutory terminology.

Other Provisions

The remainder of the bill contains numerous education funding and reporting provisions that fall outside DRA's primary area of responsibility. Accordingly, DRA's analysis is limited to those sections that directly affect tax administration and tax relief programs.

Summary of Potential Fiscal Impact

This bill would have several fiscal impacts, although many of those impacts cannot be quantified. Implementation of the revised school tax rate calculation methodology and the requirement that municipalities remit all SWEPT revenue to the State ETF would require significant modifications to multiple DRA systems. DRA estimates these changes would result in at least \$600,000 in one-time implementation costs. The bill would also increase SWEPT collections annually based on inflation beginning in FY 2026, resulting in an indeterminable increase in ETF revenue. In addition, changes to the L&M Program, including the expansion of rebates to local education property taxes, would have an indeterminable impact on state expenditures, although DRA believes rebate payments could increase substantially and potentially at least double compared to current levels.

AGENCIES CONTACTED:

Department of Education and Department of Revenue Administration