

# Senate Education Committee

*Pete Mulvey 271-4063*

**HB 1656-FN-LOCAL**, relative to adequate education grant amounts for pupils receiving special education services.

**Hearing Date:** April 23, 2024

**Time Opened:** 10:00 a.m.

**Time Closed:** 10:26 a.m.

**Members of the Committee Present:** Senators Ward, Fenton, Prentiss and Gendreau

**Members of the Committee Absent :** Senator Lang

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

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## **Sponsors:**

Rep. Kenney

Rep. Morse

Rep. Selig

Rep. Horrigan

Rep. A. Nutting-Wong

Rep. Wheeler

Rep. H. Howard

Rep. Toll

Sen. Watters

Sen. Altschiller

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**Who supports the bill:** 58 individuals signed in support of HB 1656-FN. Contact committee aide Pete Mulvey for further details ([peter.mulvey@leg.state.nh.us](mailto:peter.mulvey@leg.state.nh.us)).

**Who opposes the bill:** Julie Smith, Kathleen Chadwick, Arnold Scott, Letitia Ufford, and Dorothea Vecchiotti.

**Who is neutral on the bill:** Brian Eaton and Mark Manganiello.

## **Summary of testimony:**

### **Representative Cam Kenney**

#### **Strafford – District 10**

- HB 1656 separated special education students into three categories based upon need, each receiving different aid accordingly.
- Representative Kenny had a personal stake regarding individualized education programs (IEPs) and found HB 1656 to be a bipartisan priority.
- Representative Kenney noted that HB 1656 passed the House of Representatives with significant majorities.

## **Representative Mary Heath**

### **Hillsborough – District 41**

- HB 1656 was considered by a bipartisan subcommittee comprised of representatives from education, ways and means, and finance, and was selected to go forward.
- The crux of HB 1656 was a reevaluation of the costs associated with special education.
- Rep. Heath reported a sharp increase in the number of students with disabilities.
- School districts were struggling with the high costs related to IEPs.
- The New Hampshire School Funding Fairness project determined that local school districts spent over \$842m annually.
- The federal government had reneged on its obligations, and state aid was meager according to Rep. Heath. The school districts carried the majority of the burden for long enough.
- HB 1656 provides an additional \$2,642 for each child among average daily membership (ADM) receiving a Special Education within the category 'a'.
- Category B students received an additional \$5280, and category C students received an additional \$7920.
- Each category was distinguished by the time and severity of the handicaps in question.
- HB 1656 cost a total of \$17m.
- Rep. Heath had an amendment to accommodate a \$35m cost as agreed upon by the bipartisan subcommittee, however the amendment failed.
- Rep. Heath urged the committee to consider the language of her amendment, as it also sought to address and mitigate concerns surrounding recent court orders related to adequacy aid.

## **Rep. Rick Ladd**

### **Grafton – District 5**

- There were 13 categories of IEP students to be reported to the state and federal government.
- Rep. Ladd noted that many of those categories grew exponentially following the COVID-19 pandemic.
- An annual data fact sheet was required by part b of the individuals with disabilities in education act (IDEA), which contained three weighted categories.
- Rep. Ladd suggested that HB 1656 would result in effectively the same information being collected and reported, as opposed to the standard 13 categories being reformatted into the three larger groups.
- Category A was defined as students with IEPs who were in the regular general education classroom 80% of the time.
- Category B was defined similarly, although those students were in the general education classroom 79% or less of the time.
- Category C was relegated for children who were homebound, hospitalized, living in residential facilities, or specialized schools.
- Adequacy within differentiated aid needed to be reevaluated; a flat rate for all levels was unsatisfactory, and burdened districts.
- Rep. Ladd observed that although special education aid was approximately \$30m, it was not sufficient in covering costs, and was determined by a formula which smaller communities could not accommodate.
- Rep. Ladd recalled two students with IEPs arriving within one school year, resulting in \$200k+ in expenses resulting in the issue of a tax anticipation note.
- Rep. Ladd clarified that the funds apportioned for special education differentiated aid were not targeted funds.

- Approximately 30,000 children had IEPs and had not changed since Rep. Ladd's election in 2008.

### **Representative Hope Damon**

#### **Sullivan – District 8**

- Rep. Damon was in support of HB 1656.
- HB 1656 was valuable for every school district.
- Rep. Damon clarified that greater screening and greater awareness contributed to the increasing rate of students in special education.
- Given that local districts had to fund special education, if state aid were lacking, the education of non-special education students had to be diminished and reconfigured to compensate.
- Rep. Damon urged adopted of the initial bipartisan subcommittee recommendation, as opposed to the version as amended by the house given the reduction in the appropriation.

### **Carolyn Drury**

#### **New Hampshire Academy of Audiology**

- Ms. Drury testified in support of HB 1656.
- Ms. Drury believed the tiered support model being considered would enhance funding.
- In addition to the services themselves, technology and tools utilized for special education supports have grown in cost as well.

### **Zach Sheehan**

#### **Executive director, New Hampshire School Funding Fairness Project**

- Mr. Sheehan testified in support of HB 1656.
- Mr. Sheehan encouraged the committee to consider the original \$35m appropriation.
- The state only provided on average \$5k per student in the form of adequacy according to Mr. Sheehan.
- Given that the cost to educate a student was approximately 20k per student, the state had highly variable tax-rates.
- Special education costs were significant contributors to local taxes.
- Approximately 20% of all students received some form of special education services.
- It cost \$27,000 on average to educate student within special education.
- Special education costs were \$842m 2021-2022, comprising roughly 25% of public-school expenditures.
- The state only contributed 7.3% of the \$842m according to Mr. Sheehan.
- Mr. Sheehan offered written testimony from 11/13 NH mayors supporting the bill as amended.

### **Brian Eaton and Mark Manganiello**

#### **Bureau of School Finance, New Hampshire Department of Education**

- Senator Ward asked if special education was being reduced from 13 to three categories.
- Mr. Eaton reiterated that 13 categories were collected and would be contained within the three-tiered categories.
- Mr. Manganiello added that HB 1656 was the product of many previous renditions and was introducing a tiered funding approach to special education in New Hampshire.

- Sen. Ward asked if it were easier for the department of education to consider three categories as opposed to 13.
- Mr. Manganiello did not believe there would be a difference in how data is aggregated by the department.
- Sen. Ward sought confirmation that the Department was neutral regarding HB 1656.
- Mr. Manganiello confirmed the Department's neutrality.

### **Scott Gross**

#### **Business administrator, SAU 19**

- Mr. Gross clarified that local taxpayers, some of whom were childless and/or on a fixed income, bore the burden of added costs, and not the school district itself.
- Anecdotally, Mr. Gross noted serious debate among local deliberative sessions regarding budget cuts given rising costs.
- Mr. Gross recalled that it may cost \$450 a day, or \$80k annually, to transport a special needs student.
- School districts paid some specialists, namely speech pathologists and occupational therapists, as much as \$150 an hour.
- Out-of-district and residential placements cost hundreds of thousands of dollars; small communities could not afford those costs.
- HB 1656 was desperately necessary for smaller communities and Mr. Gross hoped for its adoption.

PM  
Date Hearing Report completed: April 29, 2024