

# Senate Education Committee

*Ryan Meleedy 271-4151*

**SB 203-FN**, relative to administration of the education freedom accounts program.

**Hearing Date:** February 11, 2025

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

**Members of the Committee Absent :** None

**Bill Analysis:** This bill changes income eligibility and reporting requirements for the education freedom account program and modifies the program's administration and oversight.

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**Sponsors:**

Sen. Altschiller

Sen. Watters

Sen. Fenton

Sen. Long

Sen. Perkins Kwoka

Sen. Rosenwald

Rep. Muns

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**Who supports the bill:** 754 People signed in support of SB 203-FN. To see the full list of sign-ins, please email the committee aide ([ryan.meleedy@gc.nh.gov](mailto:ryan.meleedy@gc.nh.gov)).

**Who opposes the bill:** No one signed in neutrality on this bill.

**Who is neutral on the bill:** 24 People signed in opposition of SB 203-FN. To see the full list of sign-ins, please email the committee aide ([ryan.meleedy@gc.nh.gov](mailto:ryan.meleedy@gc.nh.gov)).

**Summary of testimony presented in support:**

**Senator Altschiller**

- Senator Altschiller introduced Senate Bill 203-FN.
- Senator Altschiller explained that under current law, families who enroll their child in the Education Freedom Account (EFA) program only have to meet the income threshold of 350% above the poverty line at their initial enrollment. Once the student is enrolled, families are no longer required to meet the income threshold.
- Senator Altschiller described the bill as a government efficiency measure, explaining that families would be required to report their income annually, and

if they exceeded the threshold, their child would no longer be eligible for the EFA program.

- She emphasized that in addition to income reporting, families would also be accountable for reporting their residency in order to eliminate the use of taxpayer funds for families who have moved out of the state yet continue to have their children educated here.
- She explained that some families are taking part in a money grab under the current system. She explained many families will exceed the threshold by large amounts in the years after their child is enrolled in the EFA program, yet their child remains enrolled. This would mean that potentially wealthy families could be having their child's educational needs completely funded by NH taxpayers, while they're able to save their money for their own personal benefit.
- Senator Altschiller viewed these measures as a fiduciary responsibility held by the legislature, preventing wealthy people from receiving welfare at the taxpayer's expense.
- Senator Sullivan strongly opposed Senator Altschiller's characterization of the EFA program as a "money-grab," explaining that most families who exceed the income threshold might only be making a marginal amount more than the income threshold and that they were still in need of the educational funding support. She cited her family's use of the EFA program and its success for her children.
- Senator Sullivan elaborated, explaining that this marginal increase above the threshold was why students' eligibility was not evaluated each year; removing a child from the school they've attended for years because their parents are five dollars over the threshold would be unreasonable.
- Senator Sullivan questioned Senator Altschiller, asking whether she believed that removing a student on the previously mentioned grounds was fair to the child, and whether she saw it as the state breaking a contract with New Hampshire families.
- Senator Altschiller responded that these types of programs are modified all the time, so she didn't see it as the state breaking a contract. She also addressed the point of fairness drawn by Senator Sullivan, explaining that parents should consider their financial situation more thoughtfully, rather than expecting the state to face the burden of paying for their child's education. She explained that if a child's parents understand that they will likely exceed the income threshold at an inconvenient time for their child, they should consider this in their decision to enroll them in the EFA program.
- Senator Prentiss explained that she has consistently sought accountability in the EFA program. She asked if this bill instates income eligibility verification to the EFA program like other government welfare programs require. Senator

Altschiller affirmed that the bill would instate such verification, and reestablished that it would be done on an annual basis.

- Senator Prentiss, highlighting recent government efficiency efforts from the federal and state executive branches, asked if the implementation of this bill would bring about a stronger degree of government efficiency. Senator Altschiller said that this would be an accurate characterization.

### **David Trumble**

- Mr. Trumble testified in support of Senate Bill 203-FN.
- Mr. Trumble established that he supports the bill because it is consistent with the eligibility verification requirements of the rest of New Hampshire welfare programs.
- He established that when families go over the income threshold for other welfare programs, even by a few dollars, they become ineligible for those programs. He saw no need for an exemption in this case.
- He argued that education should not be seen as more important for a child than having heat, food, and a place to live, which are included in other welfare programs.
- He cited statistics that highlighted a low amount of ‘school switchers’ in the state.
- Mr. Trumble expressed sympathy to those who are already participating in the EFA program, in reference to Senator Sullivan’s concern, and suggested that the eligibility verification could be organized incrementally by each new school the child enters (i.e., elementary, middle, and high school).
- He emphasized that this program was designed to be a pilot program, and that when families sign up for the program, they should do so without the assumption of “we’re set for life”.
- Senator Altschiller raised a point about the state not honoring its contract with the retirement system and asked if Mr. Trumble saw this as analogous. Mr. Trumble agreed and said that if the state is required to meet the EFA contract for students already in the EFA program, it should be required to meet all the other ones it has not lived up to.

### **Debrah Howes - American Federation of Teachers, New Hampshire**

- Ms. Howes testified in support of Senate Bill 203-FN.
- She explained that the bill would bring “prudent shepherding” of taxpayer dollars.
- Ms. Howes explained that the program was never meant to benefit wealthy families.
- She cited a recent ‘spot-check’ of 200 EFA students, which found that 50 had significant eligibility concerns.

- She viewed this bill as prudent oversight of where taxpayer dollars are being allocated.
- Senator Sullivan asked if Ms. Howes agreed that parents and taxpayers are getting a better return on their investment with their tax money through EFAs. Ms. Howes said that she couldn't agree with Senator Sullivan's claim because there was no tangible way of measuring the outcomes of students who participated in the EFA program. She explained that there is aggregate data on where the money is spent, but there hasn't been any information released regarding outcomes.
- Senator Altschiller expanded on Senator Sullivan's line of questioning, asking Ms. Howes if there is any realistic way to find out what positive effects the EFA program students have had after their education is completed. Ms. Howes explained her understanding that most of the data on post-education outcomes are confined within the Scholarship Organization.

### **Summary of testimony presented in opposition:**

#### **Aubrey Freedman**

- Mr. Freedman testified in opposition to Senate Bill 203-FN.
- Mr. Freedman explained one reason for his opposition was continuity of education. He elaborated, saying that if a student is forced to switch schools because their parents no longer meet the threshold of eligibility, it could be disruptive for those students and would not be in their best interest.
- Mr. Freedman viewed this bill as a form of punishment to parents for becoming more financially successful and would essentially act as a disincentive for families to do better.
- He raised another point of contention, explaining that if wealthy parents choose to just let their kids attend their regular resident school, they would theoretically be relying on the tax dollars of less fortunate families in the school district to fund their child's education. He explained that no matter what happens, wealthier families will inherently rely on taxpayer money for their children's public education, which he believed was a fair negation of Senator Altschiller's 'fairness' argument used in support of the bill.
- Senator Sullivan asked whether he saw it as unfair to require a student to switch schools or for parents to be forced to provide significant funding for their student's education because they went over the threshold by a small amount of money. Mr. Freedman saw this as unfair and explained that families don't typically jump from a low income to a relatively high income with such speed.

He understood that in most situations, families will experience an incremental rise in income over a long period.

- Senator Prentiss asked whether Mr. Freedman believed that switching schools through the EFA program put any additional burden on taxpayers. Mr. Freedman viewed the exodus of multiple students from a school as theoretically creating less of a burden on taxpayers because they would be responsible for funding the education of fewer students.
- Senator Prentiss followed up by asking if Mr. Freedman believed that funding the overall infrastructure of schools when students leave would actually save the taxpayers money, citing things such as heating needs as being unaffected. Mr. Freedman said that he understands that the EFA program will initially cost more taxpayers more money when students first switch schools, but these extra costs could be reevaluated and corrected as budgets are adjusted over time.