

Senate Education Finance Committee

Joshua Schauer 271-3077

SB 292-FN-A, authorizing a warrant for the funding of state special education aid.

Hearing Date: February 19, 2025

Time Opened: 1:10 p.m.

Time Closed: 1:17 p.m.

Members of the Committee Present: Senators Murphy, Ward, Rosenwald and Altschiller

Members of the Committee Absent: Senators Carson and Innis

Bill Analysis: This bill authorizes the governor to draw a warrant from the general fund to fund the state's obligation to distribute special education aid to school districts.

Sponsors:

Sen. Lang
Sen. Birdsell
Sen. Pearl
Sen. Watters
Rep. Moffett

Sen. Avard
Sen. Innis
Sen. Rosenwald
Sen. Sullivan

Sen. Ward
Sen. McGough
Sen. Gannon
Sen. Perkins Kwoka

Who supports the bill: Senator Lang (SD2), Senator Pearl (SD17), Senator McGough (SD11), Senator Sullivan (SD18), Sean Parr (Manchester School Board), Janet Lucas, Brian Hawkins (NEA), Linda Henderson, Kerri Harris, James Henderson, Karol Carroll, Daniel Richardson, Nancy Miles, Claudia Gibson, Janet Hurd, Joanna Andros, Margaret Bowles, Shirley Montgomery, Karen Chase, Brittney Bergeron, Sharon Racusin, Mary Burton, Melinda Stucker, Priscilla Benson, Nancy Kelley, Leane Garland, Patricia Button, Julie Turne.

Who opposes the bill: Meredith Morgan, Margaret Caudill-Slosberg

Summary of testimony presented in support:

Deputy Chief of Staff Grant Bosse

- Grant Bosse introduced Senate Bill 292 FN-A on behalf of the Prime sponsor, Senator Lang.
- He explained that every year in the budget the legislature sets the amount of aid for local school districts. This aid is meant for the special education

curriculum in that district that costs the most. He said that funding is set based on the best forecasts at the time.

- He said that this fiscal year (FY25), these forecasts turned out to be short by several million dollars. This led local school districts to have higher special education expenses than originally anticipated.
- Mr. Bosse said that SB 292 FN-A would authorize access from the education trust fund surplus to make up this difference so that the state would meet its “non-binding but important obligation to fund special education”.
- He stated that Senator Lang’s belief and intent was that the education trust fund could absorb these funds, thus solving the FY 2025 problem that occurred.
- He said that Senator lang also suggested that the larger budget should be examined in terms of how much is allocated to special education.

Senator Timothy Lang, Senate District 2

- Senator Lang explained that due to fiscal error, \$36 million were allocated to special needs education, however, the program incurred \$50 million in expenses resulting in a \$14 million deficit. This balance is left to local communities to pick up the difference.
- He said that he believed the reason for the shortfall was that last year, special education was changed to allow the maximum age to be 22 years old instead of 21 years old, however the budget did not account for this.
- He said that this bill would allow the Commissioner of Education and the governor to withdraw from the education trust fund if there is a budgetary shortfall.
- Senator Lang said that with some of these towns, a student could walk in with a quarter of a million-dollar expense, and that would greatly harm the budget. He said that the goal is to allow, if there is ever that shortfall, to be able to go back to the education trust fund and make up the shortfall.

Senator Rosenwald asked if senator Lang has looked at whether the governor’s budget, with extra expenses in the education trust fund, would be able to absorb it?

Senator Lang answered that in the previous year there was a 125 million dollar with a 100 million dollars being a surplus of the education trust fund. He said that had this bill been in place, the extra 15 million dollars would have been able to be made up without impact to anyone.

Senator Altschiller asked if when a community absorbs the impact of a student who needs catastrophic aid, would it not be better to make that available for any community?

Senator Lang answered that the intent is not to change the existing law but to ensure that if there is a funding shortfall, local communities are not stuck with the cost.

Senator Altschiller explained the special education shortfall in her communities, and asked if an amendment could be added to consider this.

Senator Lang answered that he is not sure if that is needed, because if there is a funding shortfall, this bill allows funding to be given back fully.