2024 SESSION

24-2658
10/05

HOUSE BILL ***1670-FN-LOCAL***

AN ACT relative to including all special education costs under state education grants.

SPONSORS: Rep. Kenney, Straf. 10; Rep. Morse, Graf. 9; Rep. Selig, Straf. 10; Rep. A. Nutting-Wong, Hills. 9; Rep. Wheeler, Hills. 33; Rep. H. Howard, Straf. 4; Rep. Grossman, Rock. 11

COMMITTEE: Education

ANALYSIS

This bill adds the full amount of state aid for special education services to the grants made for adequate education and assesses the costs under the statewide education tax.

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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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

24-2658
10/05

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Four

AN ACT relative to including all special education costs under state education grants.

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

1 State Education Tax; Additional Amount for Special Education. Amend RSA 76:3 to read as follows:

76:3 Education Tax. Beginning July 1, [~~2005~~] ***2024***, and every fiscal year thereafter, the commissioner of the department of revenue administration shall set the education tax rate at a level sufficient to generate revenue of $363,000,000***, plus an additional amount for the cost of special education services required to be paid pursuant to RSA 186-C:18,*** when imposed on all persons and property taxable pursuant to RSA 76:8, except property subject to tax under RSA 82 and RSA 83-F. The education property tax rate shall be effective for the following fiscal year. The rate shall be set to the nearest 1/2 cent necessary to generate the revenue required in this section. ***The revenue collected from the additional amount for the cost of special education services shall be forwarded to the commissioner of the department of revenue administration for deposit in the education trust fund under RSA 198:39.***

2 Special Education; Purpose. Amend RSA 186-C:1, I to read as follows:

I. All children in New Hampshire be provided with equal educational opportunities. It is the purpose of this chapter to ensure that all children with disabilities have available to them a free appropriate public education in the least restrictive environment that emphasizes special education and related services designed to meet their unique needs and prepare them for further education, employment, and independent living. ***The provision of a free appropriate public education under this chapter shall be considered a part of the state's duty to provide every child with a constitutionally adequate education.***

3 Special Education; State Aid. RSA 186-C:18 is repealed and reenacted to read as follows:

186-C:18 State Aid.

I.(a) The state shall pay 95 percent of the costs of all services directly provided by a school district to a child as identified in and required by the terms of an Individual Education Plan (IEP), adopted pursuant to RSA 186-C:7, as being necessary for a child to receive a fair and appropriate public education in the least restrictive environment. To the extent that the cost of services directly provided by a school district can be reasonably determined, the state shall reimburse 95 percent of those costs from the education trust fund, established pursuant to RSA 198:39, within a reasonable time so as not to disrupt the provision of services, but in no event later than 60 days after the receipt of appropriate documentation by the commissioner of the department of education.

(b) To the extent that services are provided by persons or entities other than a school district, pursuant to a contract entered into between a school district and one or more providers of those services, the state shall pay the reasonable costs of those services from the education trust fund, established pursuant to RSA 198:39, directly to the provider in a reasonable time so as not to disrupt the timely provision of required services.

II. The state shall appropriate an amount for each fiscal year to fund special education programs that are statewide in their scope, and that meet the standards for such programs established by the state board of education.

III. The state board of education shall adopt rules pursuant to RSA 541-A relative to:

(a) Prescribing the forms to be used to apply for any benefit covered by any other subparagraph of this paragraph;

(b) Administering and distributing aid;

(c) School districts applying for special education aid under paragraph I(a);

(d) School districts identifying special education costs under paragraph I(b); and

(e) Establishing standards for statewide special education programs under paragraph II.

IV. A school district may issue reimbursement anticipation notes as provided for in RSA 198:20-d to be redeemed upon receipt of reimbursement from the state. The department of education shall be liable for the cost of the school district's borrowing of any funds for special education student costs.

V. When a student for whom a district receives state aid for special education under this section transfers to another school district during the school year, the reimbursement under this section shall be prorated among such districts. This proration shall be based upon the number of school days that the student was a resident of each district.

4 Adequate Public Education; Policy; Special Education. Amend RSA 193-E:1, I to read as follows:

I. It is the policy of the state of New Hampshire that public elementary and secondary education shall provide all students***, including children who qualify for special education and related services,*** with the opportunity to acquire the knowledge and skills necessary to prepare them for successful participation in the social, economic, scientific, technological, and political systems of a free government, now and in the years to come; an education that is consistent with the minimum standards for public school approval, the state-established academic standards, and school district or school curriculum.

5 New Paragraph; Criteria for an Adequate Education; Special Education. Amend RSA 193-E:2 by inserting after paragraph VII the following new paragraph:

VIII. The skills and knowledge identified in a child's Individual Education Plan (IEP), adopted pursuant to RSA 186-C:7.

6 Adequate Education; Differentiated Aid; Special Education Deleted. Amend RSA 198:40-a to read as follows:

198:40-a Cost of an Opportunity for an Adequate Education.

I. For the [~~biennium~~] ***state fiscal year*** beginning July 1, [~~2023~~] ***2024***, ***and for each biennium thereafter,*** the annual cost of providing the opportunity for an adequate education as defined in RSA 193-E:2-a shall be as specified in paragraph II. The department shall adjust the rates specified in this paragraph in accordance with RSA 198:40-d.

II.(a) A cost of $4,100 per pupil in the ADMR, plus differentiated aid as follows:

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

(c) An additional $800 for each pupil in the ADMR who is an English language learner anytime during the determination year[~~; plus~~]**.**

[~~(d) An additional $2,100 for each pupil in the ADMR who is receiving special education services anytime during the determination year.~~]

III. The sum total calculated under paragraph II***, in addition to special education costs determined under RSA 186-C:18,*** shall be the cost of an adequate education. The department shall determine the cost of an adequate education ***under paragraph II*** for each municipality based on the ADMR of pupils who reside in that municipality.

7 Education Trust Fund; Special Education Assessment. Amend RSA 198:39, II(k) to read as follows:

(k) ***Any revenue collected pursuant to RSA 76:3 for the cost of special education services required to be paid pursuant to RSA 186-C:18.***

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

8 Determination of Education Grants. Amend RSA 198:41 to read as follows:

198:41 Determination of Education Grants.

I. Except for municipalities where all school districts therein provide education to all of their pupils by paying tuition to other institutions, the department of education shall determine the total education grant for the municipality as follows:

(a) Add the per pupil cost of providing the opportunity for an adequate education for which each pupil is eligible pursuant to RSA 198:40-a, I-III, and from such amount;

(b) Subtract the amount of the education tax warrant to be issued by the commissioner of revenue administration for such municipality reported pursuant to RSA 76:8 for the next tax year ***less the revenue collected thereunder for the additional amount for the cost of special education services***; and

(c) Add the municipality's extraordinary need grant pursuant to RSA 198:40-f.

II. For fiscal year 2024 and fiscal year 2025, the department of education shall distribute a hold harmless grant equal to any amount in which a municipality's adequacy grant is less than 104

percent of the fiscal year 2024 preliminary estimate for the adequacy grant as of November 15, 2022. No municipality with a current adequacy grant amount that exceeds the fiscal year 2024 preliminary estimate shall receive a hold harmless grant. No hold harmless grant shall be distributed to any municipality in which the municipality's education property tax warrant pursuant to RSA 76:8 exceeds the total cost of an adequate education. ***The calculation of the fiscal year 2025 grant shall not subtract the revenue collected under RSA 76:3 for the additional amount for the cost of special education services.***

9 Reference Corrected; Rulemaking. Amend RSA 21-N:9, II(l) to read as follows:

(l) Special education programs affecting all children with disabilities, as authorized by RSA 186-C:5, 186-C:16 and [~~186-C:18, V~~] ***186-C:18***.

10 Effective Date. This act shall take effect July 1, 2024.

LBA
24-2658
12/10/23

HB 1670-FN-LOCAL- FISCAL NOTE
AS INTRODUCED

AN ACT relative to including all special education costs under state education grants.

FISCAL IMPACT:

The Office of Legislative Budget Assistant is unable to complete a fiscal note for this bill, as introduced, as it is awaiting information from the Department of Education. The Department of Education was initially contacted on 11/21/23 for a fiscal note worksheet, with follow-up contact made on 11/30/23. When completed, the fiscal note will be forwarded to the House Clerk's Office.

AGENCIES CONTACTED:

Department of Education