

HB 1684-FN-A-LOCAL - AS INTRODUCED

2022 SESSION

22-2780

10/04

HOUSE BILL

1684-FN-A-LOCAL

AN ACT limiting education freedom account funding to budgeted amounts.

SPONSORS: Rep. Luneau, Merr. 10; Rep. Myler, Merr. 10

COMMITTEE: Education

ANALYSIS

This bill limits the amounts of funds appropriated from the education trust fund to the education freedom account program to budgeted sums.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT limiting education freedom account funding to budgeted amounts.

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

- 1 1 Education Freedom Accounts Program; Funding. Amend RSA 194-F:11 to read as follows:
2 194-F:11 Appropriation From Education Trust Fund. The ~~[amount necessary]~~ **amounts** to fund
3 ~~[any]~~ grants or transfers of funds authorized under this chapter ~~[is]~~ **are** hereby appropriated to the
4 department from the education trust fund created under RSA 198:39. The governor is authorized to
5 draw a warrant from the education trust fund to satisfy the state's obligation under this section.
6 Such warrant for payment shall ~~[be issued regardless of the balance of funds available in the~~
7 ~~education trust fund. If the balance in the education trust fund, after the issuance of any such~~
8 ~~warrant, is less than zero, the comptroller shall transfer sufficient funds from the general fund to~~
9 ~~eliminate such deficit. The commissioner of the department of administrative services shall inform~~
10 ~~the fiscal committee and the governor and council of such balance. This reporting shall not in any~~
11 ~~way prohibit or delay the distribution of any grant or transfer of funds authorized under this~~
12 ~~chapter]~~ **not exceed \$129,000 for fiscal year 2022 and \$3,300,000 for fiscal year 2023, and in**
13 **subsequent fiscal years shall not exceed the amounts appropriated for such purpose in the**
14 **biennial state operating budget.**
15 2 Effective Date. This act shall take effect June 30, 2022.

**HB 1684-FN-A-LOCAL- FISCAL NOTE
AS INTRODUCED**

AN ACT limiting education freedom account funding to budgeted amounts.

FISCAL IMPACT: ☒ **State** ☐ **County** ☒ **Local** ☐ **None**

STATE:	Estimated Increase / (Decrease)			
	FY 2022	FY 2023	FY 2024	FY 2025
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	Indeterminable	Indeterminable Decrease	Indeterminable
Funding Source:	☐ General	☒ Education	☐ Highway	☐ Other

LOCAL:

Revenue	\$0	Indeterminable	Indeterminable Decrease	Indeterminable
Expenditures	\$0	\$0	\$0	\$0

METHODOLOGY:

This bill limits the Department of Education's warrant authority for the purpose of disbursing funds for education freedom accounts (EFAs) to \$129,000 in FY 2022, \$3,300,000 in FY 2023, and operating budget amounts in FY 2024 and each year thereafter. The warrant authority being amended is for both EFA grants and EFA phase-out grants to local school districts. EFAs grants in FY 2022 are estimated to total approximately \$8 million (estimate as of November 1, 2021, with final calculations to be made on April 1, 2022) and while this bill is technically effective in FY 2022 (June 30, 2022) it is unclear how it would be implemented. It is indeterminable how much of the \$8 million the Department would be able to retrieve, if any, or what legal or administrative cost might be incurred trying to retrieve those funds. Should the Department be able to collect back all funds, it would be approximately \$7.9 million returned to the education trust fund (from both EFA accounts and EFA phase out grants to local school districts). The Department does not have estimates for EFA participation in FY 2023 and beyond, however if it remained at the same level as FY 2022, this bill would result in approximately \$4.7 million less in EFA distribution from the education trust fund. This bill's impact on FY 2024 and beyond is indeterminable as it would be based on future budgeted amounts for EFAs.

AGENCIES CONTACTED:

Department of Education