

HB 1680-FN - AS INTRODUCED

2022 SESSION

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10/04

HOUSE BILL

1680-FN

AN ACT establishing a foundation opportunity budget program for funding public education.

SPONSORS: Rep. Luneau, Merr. 10; Rep. Myler, Merr. 10; Rep. Ames, Ches. 9; Rep. Heath, Hills. 14; Rep. M. Smith, Straf. 6; Sen. Kahn, Dist 10; Sen. Whitley, Dist 15

COMMITTEE: Education

ANALYSIS

This bill modifies the determination and funding for an opportunity for a constitutionally adequate education by establishing foundation opportunity budgets and state foundation opportunity grants.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 establishing a foundation opportunity budget program for funding public education.

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

1 1 Findings and Purpose. The general court finds that:

2 I. It is the duty and policy of the state of New Hampshire that public elementary and
3 secondary education shall provide all students with the opportunity to acquire the knowledge and
4 skills necessary to prepare them for successful participation in the social, economic, scientific,
5 technological, and political systems of a free government, now and in the years to come, regardless of
6 where the students live.

7 II. Respecting New Hampshire's long tradition of community involvement, it is the purpose
8 of this act to ensure that appropriate means are established to provide an adequate education
9 through an integrated system of shared responsibility between state and local government. In this
10 system, the state establishes minimum standards for public school approval and academic standards
11 for delivery of educational services at the local level. School districts then have responsibility and
12 flexibility in implementing diverse educational approaches to instruction and curriculum tailored to
13 meet student needs.

14 III. New Hampshire's long history of authorizing local governments, in the form of local
15 school districts, to develop and administer public schools pursuant to a set of minimum standards
16 established by the state has successfully achieved, on average across the state, high quality
17 educational outcomes and high levels of total spending in support of public schools.

18 IV. While prior New Hampshire legislative efforts to define and measure the adequacy of
19 public education have relied on input-based methods to set basic education funding levels, the
20 general court finds that defining the concept of adequate education in terms of outcomes and
21 performance provides a more precise and actionable approach that will better identify areas of
22 greatest need for supports.

23 V. Data demonstrates a strong relationship between measures of poverty such as percentage
24 of students eligible to receive free and reduced price lunches and student outcomes. For example,
25 school districts that have higher percentages of students receiving free and reduced lunches also
26 have lower student performance outcomes.

27 VI. The general court finds there is a strong relationship between measures of student
28 poverty such as percentage of students eligible to receive receiving free and reduced lunches and
29 total spending (including both state and local funding sources). For example, school districts that

1 have higher percentages of students receiving free and reduced lunches also have lower total
2 spending.

3 VII. The general court makes the ultimate finding that, consistent with academic research
4 and data and based on the above findings, the concept of what constitutes a constitutionally
5 adequate education should be defined in terms of opportunity to achieve a desired level of outcomes
6 for all students in the state regardless of where they live.

7 VIII. The general court further makes the ultimate finding that, consistent with academic
8 research and data and based on the above findings, the value of ensuring a constitutionally adequate
9 education throughout the state should be measured by the total funding projected to provide an
10 equal opportunity to achieve the defined statewide target desired level of outcome, regardless of
11 where students live.

12 IX. The general court further makes the ultimate finding that use of the definition of
13 adequacy that is framed in terms of targeted outcomes will facilitate a system of public school
14 funding that allocates funding from state sources to those communities with the greatest need and
15 lowest capacities, in order to ensure that the state provides all children with an opportunity for a
16 constitutionally adequate education, regardless of where they live.

17 X. The general court further makes the ultimate finding that, while principles of equity
18 supporting student equity require the establishment of the foundation opportunity method of
19 determining state public education grants in this act, in order to protect municipalities from adverse
20 impacts on students that could result from immediate implementation of such method, there should
21 be provisions that transition from the current system to the new system, including transition grants
22 designed to hold harmless current grant levels for all municipalities.

23 2 Definition of Adequate Education. RSA 193-E:2-a is repealed and reenacted to read as follows:

24 193-E:2-a Definition of a Constitutionally Adequate Education; Statewide Public Education
25 Opportunity Goal.

26 I. The general court determines that a constitutionally adequate education is defined, with
27 respect to each local school district, as a public education that provides students in the district with
28 an opportunity to achieve the statewide public education opportunity goal.

29 II. For purposes of this chapter, the term “statewide public education opportunity goal”
30 means the statewide average of the outcome factors of all school districts in the state, determined
31 using the most recently available outcome data, including the following performance data as
32 maintained by the department of education: assessment scores; graduation rates; and attendance
33 rates. This outcomes-based goal is intended to enable each school district to provide its students
34 with the opportunity to achieve the average statewide level of performance, regardless of their
35 particular needs or the relative property wealth of the community where the students live. The
36 average student performance in every school district should approach the average student
37 performance of all students statewide.

HB 1680-FN - AS INTRODUCED
- Page 3 -

1 III. The general court shall create a process for review and redetermination of the statewide
2 public education outcome target determined in paragraphs I and II no less frequently than every 10
3 years.

4 3 Determination of Adequate Education Values for School Districts; Foundation Opportunity
5 Budgets. RSA 193-E:2-b is repealed and reenacted to read as follows:

6 193-E:2-b Determination of Adequate Education Values for School Districts; Foundation
7 Opportunity Budgets.

8 I. The general court shall determine the value of an adequate education for each school
9 district by using an education cost model that estimates, with respect to each school district, the
10 total spending predicted by the model to achieve the statewide public education opportunity goal
11 determined in RSA 193-E:2-a. The education cost model shall evaluate the relative impact of the
12 following attributes that affect the differential cost of achieving any given level of outcome and
13 assumed to be outside the control of districts: (a) variation in student needs, (b) geographic variation
14 in the price levels of educational inputs (e.g., teacher salaries), and (c) structural or geographic
15 factors such as district size and population density. The education cost model shall be developed and
16 applied consistent with statistical methods and best practices. The total spending estimates
17 generated through application of the education cost model shall vary by school district to reflect the
18 unique attributes of each district and the municipalities they serve. The total spending estimates
19 determined by the process in paragraph I shall be determined and referred to as the “foundation
20 opportunity budget” for each school district.

21 II. The general court shall determine factors and weightings of such factors that may be
22 applied by the department of education on an annual basis to determine an “annual foundation
23 opportunity budget” for each school district as required by RSA 198:40-a. Such factors and
24 weightings shall be developed and applied consistent with statistical methods and best practices as
25 documented in the report from the commission to study school funding, submitted to the New
26 Hampshire general court on December 1, 2020, under the former RSA 193-E:2-e.

27 III. The annual foundation opportunity budget for each school district shall be subject to
28 adjustments as required by RSA 198:41.

29 IV. The general court shall create a process for review and redetermination of the values,
30 factors, and weightings set forth in paragraphs I, II, and III no less frequently than every 10 years.

31 4 Determination of Annual Foundation Opportunity Budget for Each School District. RSA
32 198:40-a is repealed and reenacted to read as follows:

33 198:40-a Determination of Annual Foundation Opportunity Budget.

34 I. Beginning July 1, 2023, the general court determines that the value of an opportunity for
35 an adequate education and the annual foundation opportunity budget as described in RSA 193-E:2,
36 RSA 193-E:2-b, and RSA 193-E:2-c for each school district shall be determined by the department of
37 education on annual basis in accordance with the requirements of paragraphs II through IV.

1 II. The general court determines that the annual foundation opportunity budget for each
2 school district shall be equal to the product of (i) the school district's weighted ADMA, multiplied by
3 (ii) the universal base foundation opportunity cost.

4 III. For purposes of paragraph II, the term "weighted ADMA" means with respect to each
5 school district, the sum of the following, in each case as shall be determined and published by the
6 department of education:

7 (a) The ADMA; plus

8 (b) The number of students in the ADMA eligible for free and reduced price lunch
9 multiplied by 1.49; plus

10 (c) The number of students in the ADMA who qualify as English language learners
11 multiplied by 2.20; plus

12 (d) The number of students in the ADMA who are receiving special education services
13 multiplied by 4.29; plus

14 (e) A number based on size of the school district equal to the ADMA multiplied by a
15 factor determined as follows:

16 (1) If the total ADMA is between 1 and 200, a weight equal to the product of –
17 0.00451 multiplied by ADMA, plus 1.621;

18 (2) If the total ADMA is between 201 and 600, a weight equal to the product of –
19 0.00065 multiplied by ADMA, plus 0.845;

20 (3) If the total ADMA is between 601 and 1,200, a weight equal to the product of –
21 0.00006 multiplied by ADMA, plus 0.494;

22 (4) If the total ADMA is between 1,201 and 2,000, a weight equal to the product of –
23 0.00049 multiplied by ADMA, plus 1.008; and

24 (5) If the total ADMA is above 2,000, no additional weight.

25 (f) An additional number based on the level of instruction determined as follows:

26 (1) The number of students in the ADMA who are in grades 6-8 multiplied by 1.42;
27 plus

28 (2) The number of students in the ADMA in grades 9-12 multiplied by 0.42.

29 III. For purposes of paragraph II, the term "universal base foundation opportunity cost"
30 shall equal \$6,501.

31 IV. The general court shall create a process for review and redetermination of the
32 weightings and values set forth in paragraphs II and III no less frequently than every 10 years.

33 V. The purpose for the annual foundation opportunity budget determined in accordance with
34 this section and the state foundation opportunity grants determined under RSA 198:41 is to provide
35 state-funded resources to local school districts to assist them in undertaking programs and actions
36 that will enable them to achieve the statewide public education opportunity goal defined in RSA 193-
37 E:2-a. The foundation opportunity budgets and foundation opportunity grants are intended to

HB 1680-FN - AS INTRODUCED
- Page 5 -

support local school districts and are measured on a district-by-district basis, and not on a per pupil basis. Notwithstanding any other provision of law to the contrary, all of the funds provided to local school districts under RSA 198:41 shall be used by the local school district as part of their local education budget revenues, and none of such funds shall be used for any other purpose, including but not limited to making payments to chartered public schools under RSA 194-B:11. Any such payments under RSA 194-B:11 shall be made from other state funds specifically appropriated for such purposes, including RSA 198:41-e.

5 Determination of State Foundation Opportunity Grants. RSA 198:41 is repealed and reenacted to read as follows:

198:41 Determination of State Foundation Opportunity Grants.

I. Except for municipalities and unincorporated areas where there are no students, the department of education shall determine the total state foundation opportunity grant for the municipality which shall equal:

(a) The adjusted annual foundation opportunity budget by for each municipality; reduced by

(b) Each municipality's minimum foundation budget contribution as determined in accordance with RSA 198:41-a; and

(c) If the result is greater than zero and the municipality's actual minimum foundation budget contribution is less than the minimum foundation budget contribution as determined in accordance with RSA 198:41-a, then the total state foundation opportunity grant shall be reduced by the same proportion.

II. For purposes of paragraph I, the term "adjusted annual foundation opportunity budget" shall mean, with respect to each municipality, the annual foundation opportunity budget determined in accordance with RSA 198:40-a, II multiplied by (i) the statewide efficiency factor, and (ii) the applicable transition percentage.

III. For purposes of paragraph II, the term "statewide efficiency factor" shall mean 95 percent.

IV. For purposes of paragraph II, the term "applicable transition percentage" shall mean:

(a) For fiscal year 2024, 70 percent;

(b) For fiscal year 2025, 74 percent;

(c) For fiscal year 2026, 78 percent;

(d) For fiscal year 2027, 82 percent;

(e) For fiscal year 2028, 86 percent;

(f) For fiscal year 2029, 90 percent;

(g) For fiscal year 2030, 95 percent;

(h) For fiscal year 2031 and later years, 100 percent.

HB 1680-FN - AS INTRODUCED
- Page 6 -

1 V. The department shall use the best available data and methods to estimate ADMA and
2 education grants by November 15 of the year preceding the school year for which aid is determined.

3 VI. The department shall produce a revised estimate of grants using actual determination
4 year data for the purpose of setting municipal tax rates. A municipality's grant estimate shall not be
5 less than 95 percent of the estimate reported pursuant to paragraph V. The commissioner of the
6 department of education shall provide the estimate for the current fiscal year to the commissioner of
7 the department of revenue administration no later than October 1 of each year.

8 VII. When final determination year data is available, but not later than April 1, the
9 department shall make a final determination of grant amounts. A municipality's grant estimate
10 shall not be less than 95 percent of the estimate reported pursuant to paragraph V. The department
11 shall adjust the April grant disbursement required pursuant to RSA 198:42 so that the total amount
12 disbursed for the fiscal year shall match the final grant determination.

13 VIII. Reports of grant determinations for municipalities required pursuant to paragraphs V-
14 VII shall be available to the public by the date specified in paragraphs V-VII, and the department
15 shall make available a report for multi-town school districts. The department of education shall
16 provide the department of revenue administration the information needed to set tax rates.

17 6 New Sections; Determination of Minimum Foundation Budget Contribution; Transition
18 Grants. Amend RSA 198 by inserting after section 41 the following new sections:

19 198:41-a Determination of Minimum Foundation Budget Contribution.

20 I. Each municipality shall annually appropriate for the support of public schools in the
21 municipality and in any regional school district to which the municipality belongs an amount equal
22 to not less than the minimum foundation budget contribution for the fiscal year. Based on the
23 definitions and other provisions in this chapter, the department of education shall estimate and
24 report such amounts to each municipality and regional school district as early as possible, but no
25 later than November 1 for the following school year. The commissioner shall file with the house and
26 senate committees on ways and means, not less than 30 days before said reports are transmitted to
27 each municipality and regional school district, copies or a document reporting all of the information
28 contained in the reports.

29 II. For purposes of paragraph I, the term "minimum foundation budget contribution" means,
30 with respect to each municipality, the amount that is the lesser of: (1) \$5 per \$1,000 of equalized
31 assessed valuation of all property taxable pursuant to RSA 76:8, or (2) the municipality's adjusted
32 annual foundation opportunity budget. The minimum foundation budget contribution shall be
33 defined separately for each municipality's share of each district to which it belongs.

34 III. A district may vote appropriations in support of its public schools in excess of the
35 minimum foundation budget contribution.

36 IV. Each cooperative school district shall identify the minimum foundation budget
37 contribution for each of its participating municipalities as part of its RSA 198:4-a report of

1 appropriations voted; provided that no addition to the school district's tax rate for any participating
2 municipality shall be required if the school district's tax rate for the municipality is equal to or
3 greater than the rate required for the municipality's minimum foundation budget contribution.

4 198:41-b Determination of Transition Grants.

5 I. For fiscal year 2024, the department of education shall identify all municipalities in which
6 the total state foundation opportunity grant for such year will be less than the fiscal year 2023 total
7 education grant. The department shall distribute a transition grant to each of those municipalities
8 equal to 100 percent of the decrease.

9 II. For fiscal year 2025, the department of education shall identify all municipalities in
10 which the total state foundation opportunity grant for such year will be less than the fiscal year 2023
11 total education grant. The department shall distribute a transition grant to each of those
12 municipalities equal to 90 percent of the decrease.

13 III. For fiscal year 2026, the department of education shall identify all municipalities in
14 which the total state foundation opportunity grant for such year will be less than the fiscal year 2023
15 total education grant. The department shall distribute a transition grant to each of those
16 municipalities equal to 80 percent of the decrease.

17 IV. For fiscal year 2027, the department of education shall identify all municipalities in
18 which the total state foundation opportunity grant for such year will be less than the fiscal year 2023
19 total education grant. The department shall distribute a transition grant to each of those
20 municipalities equal to 60 percent of the decrease.

21 V. For fiscal year 2028, the department of education shall identify all municipalities in
22 which the total state foundation opportunity grant for such year will be less than the fiscal year 2023
23 total education grant. The department shall distribute a transition grant to each of those
24 municipalities equal to 40 percent of the decrease.

25 VI. For fiscal year 2029, the department of education shall identify all municipalities in
26 which the total state foundation opportunity grant for such year will be less than the fiscal year 2023
27 total education grant. The department shall distribute a transition grant to each of those
28 municipalities equal to 20 percent of the decrease.

29 VII. There is appropriated annually on July 1 the sums required for the estimated
30 cumulative sum of transition grants in this section. The source of funds shall be from funds
31 allocated to the state through the American Rescue Plan Act (ARPA) or available CARES Act funds.
32 The governor shall issue a warrant to transfer the funds each July 1 into the education trust fund.

33 7 New Paragraph; Cooperative School Districts; Apportionment of Costs. Amend RSA 195:14 by
34 inserting after paragraph III the following new paragraph:

35 IV. Notwithstanding any other law to the contrary, each cooperative school district shall
36 deduct the total amount of the district's foundation opportunity grants and minimum foundation
37 budget contributions from the cooperative school district budget before apportionment of any

HB 1680-FN - AS INTRODUCED
- Page 8 -

1 remaining school costs to member municipalities in accordance with the district's applicable
2 apportionment formula.

3 8 School Tax Rate Computation. RSA 198:4-a, IV is repealed and reenacted to read as follows:

4 IV. The commissioner of revenue administration shall compute the rate percent of taxation
5 for school district purposes from such certificate, provided that no separate increment to the school
6 district tax rate to raise funds for a participating municipality's minimum foundation budget
7 contribution shall be required if the municipality's computed school tax rate, without consideration
8 of the municipality's minimum foundation budget contribution, is equal to or greater than the lesser
9 of 0.5 percent or such lower rate times the municipality's equalized property value, including
10 railroads and utilities, as is sufficient to raise an amount equal to the municipality's adjusted annual
11 minimum foundation equity budget.

12 9 Education Trust Fund; Transition Grants. Amend the introductory paragraph of RSA 198:39,
13 I to read as follows:

14 I. The state treasurer shall establish an education trust fund in the treasury. Moneys in
15 such fund shall not be used for any purpose other than to distribute adequate education grants to
16 municipalities' school districts and to approved charter schools pursuant to RSA 198:42 **and**
17 **transition grants under RSA 198:41-b**, to provide low and moderate income homeowners property
18 tax relief under RSA 198:56-198:61, to distribute school building aid to school districts and approved
19 chartered public schools pursuant to RSA 198:15-b, to distribute tuition and transportation funds to
20 school districts for students attending career and technical education programs pursuant to RSA
21 188-E:9, to distribute special education aid to school districts pursuant to RSA 186-C:18, to fund
22 department of education operating costs for a state student data collection and reporting system, and
23 to fund kindergarten programs as may be determined by the general court. The state treasurer shall
24 deposit into this fund immediately upon receipt:

25 10 Data Related to Provision of Public Education. Amend the section heading of RSA 193-E:3
26 and RSA 193-E:3, I to read as follows:

27 193-E:3 Delivery of [~~an Adequate~~] **Data Related to Provision of Public Education.**

28 I. Annually, each school district shall report data to the department of education at the
29 school and district levels on the indicators set forth in this paragraph. The report shall not contain
30 personally identifiable information including but not limited to name, gender, or social security
31 number. The department of education shall develop a reasonable schedule to collect the reporting of
32 data required by state and federal law. The requirements for data keeping and the form of the
33 report shall be established in accordance with rules adopted by the state board of education.
34 Indicators shall include the following areas:

35 (a) [~~Attendance rates~~] **Enrollment and average daily membership in attendance.**

36 (b) Annual and cumulative drop-out rates of high school students and annual drop-out
37 rates for students in grades 7 and 8.

HB 1680-FN - AS INTRODUCED
- Page 9 -

- 1 (c) School environment indicators, such as safe-schools data.
- 2 (d) Number and percentage of graduating high school students.
- 3 (e) Number and percentage of graduating high school students going on to postsecondary
4 education, military service, and an advanced learning program leading to a value added skill or
5 career certification.
- 6 (f) Number and percentage of students earning a career and technical education
7 industry recognized credential.
- 8 (g) Number and percentage of students completing a career pathway program of study.
- 9 (h) Number and percentage of high school students who earned postsecondary credit of
10 C or better for one or more concurrent or dual enrollment courses from a New Hampshire
11 postsecondary college or university.
- 12 (i) Number of students that completed a New Hampshire scholars program of study.
- 13 (j) Number and percentage of students that completed and passed an advanced
14 placement exam with a score of 3, 4 or 5; or International Baccalaureate exam with a score of 4, 5, 6,
15 or 7.
- 16 (k) Number of students that scored at least a level III on components of the ASVAB, as
17 defined in RSA 186:68, I, that comprise the Armed Forces Qualification Test (AFQT).
- 18 (l) The number and percentage of high school students that either met or exceeded the
19 college and career ready benchmark established by the department for either the SAT or ACT.
- 20 (m) ~~[Expulsion and suspension rates, including in-school and out-of-school suspensions~~
21 ~~including data identifying the percentage of out-of-school suspensions of more than 10 days for each~~
22 ~~school year. This indicator shall be categorized by district, school, and grade level with each~~
23 ~~category disaggregated and broken down by gender, race, IEP, and eligibility for free and reduced-~~
24 ~~price meal programs.] **Career and technical education participation rates.**~~
- 25 (n) Teacher and administrative turnover rates at the school and district levels.
- 26 (o) The number and percentage of graduating high school students provided in-person
27 school assistance in completing a free application for federal student aid (FAFSA) form.
- 28 **(p) Access to community or school-based early childhood education programs.**
- 29 **(q) Progress toward competency-based student experiences that emphasize**
30 **work-study practices and community-based learning (such as extended learning**
31 **opportunities).**
- 32 **(r) Implementation of structural reforms to achieve greater efficiency and**
33 **effectiveness related to school or district size, technology-mediated instruction, and cross-**
34 **district collaboration.**
- 35 **(s) An outline of the curriculum and graduation requirements of the district.**
- 36 **(t) Pupil/teacher ratios and class size policy and practices.**
- 37 **(u) Teacher and administrator evaluation procedures.**

(v) *Statistics, policies, and procedures relative to truancy and dropouts.*

(w) *Statistics, policies, and procedures relative to expulsions and in-school and out-of-school suspensions, and suspensions of more than 10 days. These data shall be categorized by district, school, and grade level with each category disaggregated and broken down by gender, race, IEP, and eligibility for free and reduced-price meal programs.*

(x) *Number of school-age children attending public schools, private schools, homeschools, dual enrollment with a community college, alternative schools, and EFA students.*

(y) *Racial composition of teaching and administrative staff.*

(z) *Art and music programs.*

(aa) *Technology education.*

(bb) *Programs to encourage and improve student effort and growth.*

(cc) *Adult education programs.*

(dd) *Library and media facilities.*

(ee) *Condition of instructional materials including textbooks, workbooks, audio-visual materials, and laboratory materials.*

(ff) *Types and condition of computers and computer software.*

(gg) *Basic skills remediation programs.*

(hh) *Drug, tobacco, and alcohol abuse programs.*

(ii) *Multi-cultural education training for students and teachers.*

(jj) *Global education.*

(kk) *Nutrition and wellness programs.*

11 School Performance and Accountability; Underperforming Schools. RSA 193-H:3 is repealed and reenacted to read as follows:

193-H:3 Underperforming Schools.

I. The commissioner may, on the basis of student performance data collected pursuant to RSA 193-E:3 and rules adopted by the state board of education, designate one or more schools in a school district as underperforming. The state board shall adopt rules establishing standards for the commissioner to make such designations on the basis of data collected pursuant to RSA 193-E:3. Schools with average student performance that score in the lowest 20 percent statewide among students in a common grade levels on a single normalized measure developed by the department that takes into account multiple factors of student performance data, including but not limited to performance on statewide assessment tests, graduation rates and attendance rates, and, beginning on July 1, 2026, improvement in student academic performance, shall be deemed eligible for designation as underperforming.

HB 1680-FN - AS INTRODUCED
- Page 11 -

1 II. The commissioner shall annually compile and disseminate to the governor and council,
2 the president of the senate, the speaker of the house of representatives, local school boards,
3 superintendents of schools, and the public, and shall make available on the department website, a
4 list of underperforming schools.

5 III. A school or school district designated by the commissioner as an underperforming school
6 shall have 30 days from the date of the designation to appeal such designation to the state board of
7 education.

8 12 Local Education Improvement Plan. RSA 193-H:4 is repealed and reenacted to read as
9 follows:

10 194-H:4 Local Education Improvement Plan; Strategic Responses.

11 I. A school shall have one year from the date that a school has been designated as an
12 underperforming school pursuant to RSA 193-H:3 to take action to remedy identified problems at the
13 local level.

14 II. Upon the designation of a school as an underperforming school in accordance with
15 regulations developed pursuant to this section, the superintendent of the district, with approval by
16 the commissioner, shall create a turnaround plan for the school. The commissioner may allow for an
17 expedited turnaround plan for schools that have been previously designated as underperforming and
18 where the district has a turnaround plan that has had a public comment period and approval of the
19 local school board.

20 III. In creating the turnaround plan the superintendent shall include, after considering
21 the recommendations from local stakeholders, which may include students, parents/guardians,
22 teachers, and administrators, the school board, advisory boards, and any provisions intended to
23 maximize the rapid academic achievement of students at the school and shall, to the extent
24 practicable, base the plan on student outcome data, including, but not limited to performance on
25 statewide assessment tests, graduation rates and attendance rates for different subgroups of
26 students, including students eligible for free and reduced price lunch, English language learners and
27 students receiving special education.

28 IV. The superintendent shall also include in the creation of the turnaround plan, after
29 considering the recommendations of the local stakeholder group, the following: (1) steps to address
30 social service and health needs of students at the school and their families, to help students arrive
31 and remain at school ready to learn; provided, however, that this may include mental health and
32 substance abuse screening; (2) steps to improve or expand child welfare services and, as appropriate,
33 law enforcement services in the school community, in order to promote a safe and secure learning
34 environment; (3) steps to improve workforce development services provided to students and their
35 families at the school, to provide students and families with meaningful employment skills and
36 opportunities; (4) steps to address achievement gaps for English learners, special education students
37 and low-income students; and (5) alternative English language learning programs for English

1 learners; and (6) a financial plan for the school, including any additional funds to be provided by the
2 district, state, federal government or other sources.

3 V. To assess the school across multiple measures of school performance and student success,
4 the turnaround plan shall include measurable annual goals including, but not limited to: (1) student
5 attendance, dismissal rates and exclusion rates; (2) student safety and discipline; (3) student
6 promotion and graduation and dropout rates; (4) student achievement on the statewide assessment
7 test; (5) progress in areas of academic underperformance; (6) progress among subgroups of students,
8 including students eligible for free and reduced price lunch,, English language learners and students
9 receiving special education; (7) reduction of achievement gaps among different groups of students; (8)
10 student acquisition and mastery of 21st century skills; (9) development of college readiness,
11 including at the elementary and middle school levels; (10) parent and family engagement; (11)
12 building a culture of academic success among students; (12) building a culture of student support
13 and success among school faculty and staff and; (13) developmentally appropriate child assessments.

14 13 New Section; Persistent Disparities. Amend RSA 193-H by inserting after section 5 the
15 following new section:

16 193-H:6 Persistent Disparities.

17 I. The commissioner shall establish statewide targets for addressing persistent disparities in
18 achievement among student subgroups in the aggregate and within subcategories, including, but not
19 limited to, subject matter and relevant grade levels. The targets shall include annual benchmarks
20 on the progress expected to be achieved in the aggregate and by subcategory.

21 II. Each district shall establish targets for addressing persistent disparities in achievement
22 among student subgroups consistent with the targets established by the department. Each district
23 shall develop an evidence-based 3-year plan to meet its targets. Each district's plan shall be
24 developed by the superintendent in consultation with the school board and shall consider input and
25 recommendations from parents and other relevant community stakeholders, including but not
26 limited to, special education and English learner parent advisory councils, school improvement
27 councils and educators in the school district.

28 III. The 3-year plan shall be submitted in a form and manner prescribed by the department
29 and shall include, but not be limited to:

30 (a) A description of how the approved district budget will be allocated among schools in
31 the district, by foundation category, to be used in support of the plan, including how other local,
32 state, federal and grant-based funding sources will be used; provided, however, that the description
33 shall include an explanation of the relationship between the allocation of the funds and the
34 educational needs of English learners and low-income students;

35 (b) A description of the evidence-based programs, supports and interventions that the
36 school district will implement to address persistent disparities in achievement among student
37 subgroups, including, but not limited to: (a) expanded learning time in the form of a longer school

1 day or school year; (b) increased opportunity for common planning time for teachers; (c) social
2 services to support students' social-emotional and physical health; (d) hiring school personnel that
3 best support improved student performance; (e) increased or improved professional development; (f)
4 purchase of curriculum materials and equipment that are aligned with the statewide curriculum
5 frameworks; (g) expanding early education and pre-kindergarten programming within the district in
6 consultation or in partnership with community-based organizations; (h) diversifying the educator
7 and administrator workforce; (i) developing additional pathways to strengthen college and career
8 readiness; and (j) any other program determined to be evidence-based by the commissioner;
9 provided, however, that if a district elects not to implement the evidence-based programs described
10 in clauses (a)-(i), the district plan shall specify the reasons for electing not to implement said
11 programs including a description of why said programs would not effectively address persistent
12 disparities in achievement among student subgroups;

13 (c) Identification of outcome metrics to be used by the district to measure success in
14 addressing persistent disparities in achievement among student subgroups; provided, however, that
15 the department shall develop standard metrics that may be incorporated in district plans and may
16 include: (A) results from the statewide student assessment including student growth; (B) results
17 from the English proficiency assessment administered to English learners; (C) grade-level
18 completion and attendance data; (D) participation in advanced coursework; and (E) other indicators
19 of district and school climate, diversity and performance; and

20 (d) A description of how the district will effectuate and measure increased parent
21 engagement, including, but not limited to, specific plans targeted to parents of students eligible for
22 free and reduced price lunch, English language learners and students with disabilities.

23 IV. Each district shall submit its plan to the department every 3 years. Upon receipt of a
24 district plan, the commissioner shall review the plan to ensure that it sets forth clear and achievable
25 goals and measurable standards for student improvement that comply with the requirements of this
26 section; provided, however, that the district shall amend any plan deemed not to conform with the
27 requirements of this section. Following the submission of a 3-year plan, each district shall annually,
28 not later than April 1, submit to the department: (a) relevant data, pursuant to its plan, to assess
29 success in addressing persistent disparities in achievement among student subgroups; and (b)
30 amendments to the plan that reflect changes deemed necessary to improve district performance in
31 meeting plan goals. Each plan shall be made publicly available on both the submitting district's
32 website and the department's website.

33 V. Annually, not later than December 31, the commissioner shall submit a report to the
34 clerks of the house of representatives and the senate and the chairs of the house and senate
35 committees on education on the progress made in addressing persistent disparities in achievement
36 among student subgroups in the aggregate and within subcategories on a statewide basis; provided,

HB 1680-FN - AS INTRODUCED
- Page 14 -

1 however, that district and school-level data shall be made available on the department's website
2 along with the report.

3 14 Statewide Education Property Tax. Amend RSA 76:3 to read as follows:

4 76:3 Education Tax. Beginning July 1, [2005] **2023**, and every fiscal year thereafter, the
5 commissioner of the department of revenue administration shall set the education tax rate at a level
6 sufficient to generate revenue of \$363,000,000 when imposed on all persons and property taxable
7 pursuant to RSA 76:8, except property subject to tax under RSA 82 and RSA 83-F. The education
8 property tax rate shall be effective for the following fiscal year. The rate shall be set to the nearest
9 1/2 cent necessary to generate the revenue required in this section.

10 15 Chartered Public Schools; Study for Appropriate State Funding. Amend RSA 198 by
11 inserting after section 41-d the following new section:

12 198:41-e Determination of Funding for Chartered Public Schools. The commissioner of the
13 department of education shall conduct a study that recommends to the general court an aggregate
14 amount of state funding necessary to support education of pupils enrolled in chartered public
15 schools, including recommendations for raising required revenues and methods for distributing such
16 funds among eligible chartered public schools. The commissioner shall deliver the final report of
17 recommendations to the speaker of the house, the senate president, and the chairpersons of the
18 house and senate education committees no later than September 30, 2022.

19 16 Chartered Public Schools; Funding. Amend RSA 194-B:11, I(a) and I(b) to read as follows:

20 I.(a) There shall be no tuition charge for any pupil attending a charter conversion school
21 located in that pupil's resident district. Funding limitations in this chapter shall not be applicable to
22 charter conversion schools located in a pupil's resident district. For a chartered public school
23 authorized by the school district, ~~[the pupil's resident district shall pay to such school an amount~~
24 ~~equal to not less than 80 percent of that district's average cost per pupil as determined by the~~
25 ~~department of education using the most recent available data as reported by the district to the~~
26 ~~department. For pupils resident in this state who attend full-time a chartered public school~~
27 ~~authorized by a school district other than the pupil's resident school district, the state shall pay~~
28 ~~tuition pursuant to RSA 198:40-a directly to the chartered public school for such pupil. Nothing in~~
29 ~~this subparagraph shall alter or modify the funding of the Virtual Learning Academy Charter~~
30 ~~School]~~ *there shall be paid to such chartered public school the amount determined*
31 *pursuant to RSA 198:41-e.*

32 (b)(1)(A) Except as provided in subparagraph (2), for a chartered public school
33 authorized by the state board of education pursuant to RSA 194-B:3-a, the state shall pay tuition
34 pursuant to ~~[RSA 198:40-a, II(a)-(c) and (e)]~~ **RSA 198:41-e** plus an additional grant of \$3,286 to all
35 chartered public schools for the fiscal year ending June 30, 2018, and \$3,411 to all chartered public
36 schools for the fiscal year ending June 30, 2019 and each fiscal year thereafter, except for the Virtual
37 Learning Academy Charter School, directly to the chartered public school for each pupil who is a

1 resident of this state in attendance at such chartered public school. Beginning July 1, 2017 and
2 every biennium thereafter, the department of education shall adjust the per pupil amount of the
3 additional grant based on the average change in the Consumer Price Index for All Urban
4 Consumers, Northeast Region, using the "services less medical care services" special aggregate
5 index, as published by the Bureau of Labor Statistics, United States Department of Labor. The state
6 shall pay amounts required pursuant to ~~[RSA 198:40-a, II(d)]~~ ***RSA 198:41-e*** directly to the resident
7 district.

8 (B) For the Virtual Learning Academy Charter School authorized pursuant to
9 RSA 194-B:3-a, the state shall pay tuition pursuant to ~~[RSA 198:40-a, II(a)-(c) and (e)]~~ ***RSA 198:41-***
10 ***e***, plus an additional grant of \$2,036 directly to the Virtual Learning Academy Charter School for
11 each eligible full-time enrolled pupil in the chartered public school's ADMA. The state shall pay
12 amounts required pursuant to ~~[RSA 198:40-a, II(d)]~~ ***RSA 198:41-e*** directly to the resident district.
13 The state shall also pay tuition pursuant to ~~[RSA 198:40-a, II(a)]~~ ***RSA 198:41-e*** plus an additional
14 grant of \$2,036 directly to the Virtual Learning Academy Charter School for each full-time
15 equivalent pupil. Beginning July 1, 2017 and every July 1 thereafter, the department of education
16 shall adjust the per pupil amount of the additional grant based on the average change in the
17 Consumer Price Index for All Urban Consumers, Northeast Region, using the "services less medical
18 care services" special aggregate index, as published by the Bureau of Labor Statistics, United States
19 Department of Labor. The average change shall be calculated using the 3 calendar years ending 18
20 months before the beginning of the fiscal year for which the calculation is to be performed.

21 (2) For an online chartered public school which receives its initial authorization to
22 operate from the state board of education pursuant to RSA 194-B:3-a on or after July 1, 2013, the
23 state shall pay tuition pursuant to ~~[RSA 198:40-a]~~ ***RSA 198:41-e*** directly to the online chartered
24 public school for each pupil who is a resident of this state in attendance at such chartered public
25 school. In this subparagraph, "online chartered public school" means a chartered public school which
26 provides the majority of its classes and instruction on the Internet.

27 17 Kindergarten Adjustments. Amend RSA 198:48-b to read as follows:

28 198:48-b Kindergarten ~~[Adequate Education Grants];~~ ***Foundation Opportunity Budget***
29 ***Adjustment.*** Notwithstanding any provision of law to the contrary:

30 I. A school district which operates a full-day kindergarten program in any school year in
31 which the ~~[adequate education grant]~~ ***foundation opportunity budget*** provided pursuant to RSA
32 ~~[198:42]~~ ***198:40-a*** does not include a count of the full-day kindergarten students, shall ~~[receive an~~
33 ~~additional adequate education grant]~~ ***have the foundation opportunity budget adjusted*** based
34 on the number of pupils ~~[attending kindergarten in the district as of the beginning of the school year.~~

35 ——— II. The per pupil amount of the additional education grant provided in this section shall be
36 50 percent of the amount distributed under RSA 198:40-a, II(a), based on the number of pupils]

enrolled and present on the first day of school in the current year in a full-day kindergarten program in the district.

II. Once pupils enrolled in an approved kindergarten program have been counted in the average daily membership, ~~[school districts shall receive, for each such pupil, an adequate education grant calculated in accordance with RSA 198:40-a, II]~~ ***the foundation opportunity budget for the school district shall be calculated in accordance with RSA 198:40-a.***

~~[III. For the fiscal year ending June 30, 2021, and every fiscal year thereafter, the amount necessary to fund the grants under this section is hereby appropriated to the department from the education trust fund established in RSA 198:39. If the balance in the education trust fund is less than zero, the governor is authorized to draw a warrant for sufficient funds to eliminate such deficit out of any money in the treasury not otherwise appropriated. The commissioner of the department of administrative services shall inform the fiscal committee and the governor and council of such balance. This reporting shall not in any way prohibit or delay the distribution of kindergarten adequate education grants.]~~

18 Property Taxation; Commissioner's Warrant. Amend RSA 76:8, II to read as follows:

II. The commissioner shall issue a warrant under the commissioner's hand and official seal for the amount computed in paragraph I to the selectmen or assessors of each municipality by December 15 directing them to assess such sum and ~~[pay it to the municipality for the use of the school district or districts]~~, ***after subtracting a processing fee equal to 3 percent of the taxes collected by the municipality, pay the remainder to the department of revenue administration for deposit in the education trust fund. Such payments by municipalities, and the subtractions for processing fees, shall be made in accordance with schedules, standards, and procedures established by rules adopted by the department of revenue administration after consultation with the commissioner of education.*** Such sums shall be assessed at such times as may be prescribed for other taxes assessed by such selectmen or assessors of the municipality.

19 Property Tax Bill Information. Amend RSA 76:11-a, II to read as follows:

II. The tax bill shall also contain a statement informing the taxpayer of the types of tax relief for which the taxpayer has the right to apply. ***The statement shall explicitly list the low and moderate income homeowners property tax relief program specified by RSA 198:57 and shall include information on how to apply for the program.*** The following statement shall be considered adequate:

"If you are elderly, disabled, blind, a veteran, or veteran's spouse, or are unable to pay taxes due to poverty or other good cause, you may be eligible for a tax exemption, credit, abatement, or deferral, ***which can reduce your current property tax bill.*** For details and application information, contact (insert title of local assessing officials or office to which application should be made ***and deadline for application.***)

1 *Depending on your income, you may also be eligible for a refund of some of your taxes*
2 *under the low and moderate income homeowners property tax relief program. To find out*
3 *how to get a refund, call the New Hampshire department of revenue administration at*
4 *(insert current telephone number here) or visit the department's website (insert current*
5 *website address here). Applications for refunds are due by June 30."*

6 This statement shall be prominent ~~and~~, legible, **and printed in at least 12-point boldface type**,
7 and may either be printed on the tax bill itself, or on a separate sheet of paper enclosed with the tax
8 bill. A municipality may in its discretion choose to include more detailed information about the
9 eligibility criteria for different forms of tax relief, provided, however, that the information in the
10 above statement shall be considered a minimum.

11 20 New Subparagraph; Education Trust Fund. Amend RSA 198:39, I(l) to read as follows:

12 (l) ***The full amount of education property tax payments from the department of***
13 ***revenue administration pursuant to RSA 76:8, II.***

14 (m) Any other moneys appropriated from the general fund.

15 21 Repeal; Tax Warrant; Determination of Education Grants. RSA 198:41, I(b) relative to
16 subtracting the amount of the state education tax warrant in the determination of grants, is
17 repealed.

18 22 Low and Moderate Income Homeowners Property Tax Relief. Amend RSA 198:57, III and IV
19 to read as follows:

20 III. An eligible tax relief claimant is a person who:

21 (a) Owns a homestead or interest in a homestead subject to the education tax;

22 (b) Resided in such homestead on ~~April 1 of~~ ***the date of the final tax bill as defined***
23 ***in RSA 76:1-a for*** the year for which the claim is made, except such persons as are on active duty in
24 the United States armed forces or are temporarily away from such homestead but maintain the
25 homestead as a primary domicile; and

26 (c) Realizes total household income of:

27 (1) ~~[\$20,000]~~ ***\$55,000*** or less if a single person;

28 (2) ~~[\$40,000]~~ ***\$70,000*** or less if a married person or head of a New Hampshire
29 household.

30 IV. All or a portion of an eligible tax relief claimant's ~~[state]~~ education property taxes~~[- RSA~~
31 ~~76:3,]~~ shall be rebated as follows:

32 (a) Multiply the total local assessed value of the claimant's property by the percentage of
33 such property that qualifies as the claimant's homestead;

34 (b) Multiply ~~[\$100,000]~~ ***\$150,000*** by the most current local equalization ratio as
35 determined by the department of revenue administration;

36 (c) Multiply the lesser of the amount determined in subparagraph (a) or (b) by the
37 ~~[education tax rate as shown on the tax bill under RSA 76:11-a;]~~ ***sum of the following:***

(1) *The local education tax rate as shown on the tax bill under RSA 76:11*
and;

(2) *The state education tax rate as shown on the tax bill under RSA 76:11.*
(d) Multiply the product of the calculation in subparagraph (c) by the following percentage as applicable to determine the amount of tax relief available to the claimant, ***provided that the maximum amount of tax relief available to any claimant in any fiscal year shall not exceed \$1,000:***

(1) If a single person and total household income is:
[~~(A) less than \$12,500-\$20,000, 100 percent;~~
~~(B) \$12,500 but less than \$15,000, 60 percent;~~
~~(C) \$15,000 but less than \$17,500, 40 percent; or~~
~~(D) \$17,500 but less than or equal to \$20,000, 20 percent.]~~
(A) less than \$20,000, 100 percent;
(B) \$20,000 but less than \$55,000, a percentage that is reduced by 5 percent for each \$1,750 of household income above \$20,000;
(C) more than \$55,000, zero percent.

(2) If a head of a New Hampshire household or a married person and total household income is:
[~~(A) less than \$25,000, 100 percent;~~
~~(B) \$25,000 but less than \$30,000, 60 percent;~~
~~(C) \$30,000 but less than \$35,000, 40 percent; or~~
~~(D) \$35,000 but less than or equal to \$40,000, 20 percent]~~
(A) less than \$30,000, 100 percent;
(B) \$30,000 but less than \$70,000, a percentage that is reduced by 5 percent for each \$2,000 of household income above \$30,000;
(C) more than \$70,000, zero percent.

(e) The amount determined by subparagraph (d) is the allowable tax relief in any year, ***provided however that the aggregate of tax relief checks issued by the commissioner to all taxpayers claiming eligibility for tax relief shall not exceed \$25,000,000 for the fiscal year to which the claim applies, exclusive of late filed claims which are accepted by the commissioner pursuant to paragraph VI(b) which shall be counted against the \$25,000,000 limit for the fiscal year in which the claims are received, and that the commissioner shall reduce proportionally the amount of each taxpayer's tax relief check for that fiscal year when a reduction is necessary to conform to the \$25,000,000 limit for that fiscal year.***

23 New Paragraphs; Low and Moderate Income Homeowners Property Tax Relief; Adjustment for Inflation; Forms. Amend RSA 198:57 by inserting after paragraph VIII the following new paragraphs:

HB 1680-FN - AS INTRODUCED
- Page 19 -

IX. The amounts specified in subparagraph III(c), IV(b), IV(d), and IV(e) shall be adjusted annually for inflation and rounded to the nearest \$100 by the commissioner of the department of revenue administration based on the average change in the Consumer Price Index for All Urban Consumers, Northeast Region as published by the Bureau of Labor Statistics, United States Department of Labor. The average change shall be calculated using the calendar year ending 12-months prior to the beginning of the program year.

X. Each year, on or about May 1, the department of revenue administration shall mail the current year forms necessary to apply for property tax relief to each homeowner who received property tax relief under the provisions of paragraph IV in the prior year.

24 Study Committee on Low and Moderate Income Homeowners Property Tax Relief. There is established a committee to study the low and moderate income homeowners property tax relief program authorized by RSA 198:57-58.

I. The members of the committee shall be as follows:

(a) Three members of the senate, appointed by the president of the senate.

(b) Four members of the house of representatives, appointed by the speaker of the house of representatives.

II. Members of the committee shall receive mileage at the legislative rate when attending to the duties of the committee.

III.(a) The committee shall study, with the assistance of the commissioner of the department of revenue administration, issues relating to the extension of the low and moderate income homeowners property tax relief program to tenants who indirectly pay education property taxes as part of the rent that they pay for the right to live in their principal place of residence and domicile and shall make recommendations regarding said extension;

(b) The committee shall also study, with the assistance of the commissioner of the department of revenue administration, the relationship between household income, property values, and property taxation, as well as the sufficiency of data relating to that relationship that is currently available to the department of revenue administration, including data needed to determine the impact of property tax changes by property classification, value, and ownership status, including owner-occupied, out-of-state, commercial, residential, or other relevant ownership categories, and shall report on its findings and recommendations on said relationship, data sufficiency, and changes in assessment data collected, eligibility, and funding levels that would improve the low and moderate income homeowners property tax relief program.

(c) The committee shall also study, with the assistance of the commissioner of the department of revenue administration, the components of a statewide property tax deferral program designed to provide relief to homeowner property taxpayers where taxpayer-specific circumstances temporarily impair such taxpayers ability to timely pay their property tax bills, and shall make recommendations regarding the development of such a program.

1 (d) The committee may solicit input or testimony from any person or organization the
2 committee deems relevant to the study.

3 IV. The members of the committee shall elect a chairperson from among the members. The
4 first meeting shall be called by the first-named house member. The first meeting of the committee
5 shall be held within 45 days of the effective date of this section. Four members of the committee
6 shall constitute a quorum.

7 V. The committee shall report its findings and any recommendations for proposed legislation
8 to the president of the senate, the speaker of the house of representatives, the senate clerk, the
9 house clerk, the governor, and the state library on or before November 1, 2023.

10 25 Effective Date.

11 I. Sections 2-9 of this act shall take effect July 1, 2023.

12 II. Sections 10-13 of this act shall take effect July 1, 2025.

13 III. The remainder of this act shall take effect July 1, 2022.

LBA
22-2815
12/28/21

**HB 1680-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT establishing a foundation opportunity budget program for funding public education.

FISCAL IMPACT:

The Office of Legislative Budget Assistant is unable to provide a fiscal note for this bill, **as introduced**, at this time. The Department of Education was contacted for a fiscal note worksheet initially on 11/17/2021 with additional follow-up contacts. When completed, the fiscal note will be forwarded to the House Clerk's Office.

AGENCIES CONTACTED:

Department of Education and Department of Revenue Administration