

HB 717-FN - AS INTRODUCED

2025 SESSION

25-0654

02/06

HOUSE BILL **717-FN**

AN ACT relative to catastrophic aid for special education.

SPONSORS: Rep. Ladd, Graf. 5

COMMITTEE: Education Funding

ANALYSIS

This bill changes the cost rate at which the department of education shall distribute special education aid to school districts.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to catastrophic aid for special education.

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

1 1 Special Education; State Aid. Amend RSA 186-C:18, III to read as follows:

2 III.(a) The state board of education through the commissioner, department of education,
3 shall distribute aid available under this paragraph as entitlement to such school districts as have a
4 special education pupil for whose costs they are responsible, for whom the costs of special education
5 in the fiscal year exceed 3 [~~1~~/~~2~~] times the estimated state average expenditure per pupil for the
6 school year preceding the year of distribution. If in any year, the amount appropriated for
7 distribution as special education aid in accordance with this section is insufficient therefor, the
8 appropriation shall be prorated proportionally based on entitlement among the districts entitled to a
9 grant. If there are unexpended funds appropriated under this paragraph at the end of any fiscal
10 year, such funds shall be distributed for court-ordered placements and episodes of treatment under
11 RSA 186-C:19-b. The state may designate up to \$250,000 of the funds which are appropriated as
12 required by this paragraph, for each fiscal year, to assist those school districts which, under
13 guidelines established by rules of the state board of education, may qualify for emergency assistance
14 to mitigate the impact of special education costs. The state may designate up to an additional
15 \$250,000 of the funds which are appropriated under this paragraph for each fiscal year for any
16 community of 1,000 or fewer residents to mitigate the impact of special education costs when
17 emergency assistance is necessary to prevent significant financial harm to such district or
18 community. Upon application to the commissioner of education, and approval by the commissioner,
19 such funds may be accepted and expended by school districts in accordance with this chapter;
20 provided, however, that if a school district has received emergency assistance funds for certain
21 children with disabilities, it shall not receive special education aid for those same children with
22 disabilities. If any of the funds designated for emergency assistance under this paragraph are not
23 used for such emergency assistance purposes, the funds shall be used to assist school districts in
24 meeting special education cost increases in their special education programs as provided by this
25 paragraph.

26 (b) The school district shall be liable for 3 [~~1~~/~~2~~] times the estimated state average
27 expenditure per pupil for the school year preceding the year of distribution, plus 20 percent of the
28 additional cost, up to 10 times the estimated state average expenditure per pupil for the school year
29 preceding the year of distribution.

30 (c) The department of education shall be liable for 80 percent of the cost above the 3 [~~1~~/~~2~~]
31 times the estimated state average expenditure per pupil for the school year preceding the year of

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1 distribution, up to 10 times the estimated state average expenditure per pupil for the school year
2 preceding the year of distribution. The department of education shall be liable for all costs in excess
3 of 10 times the estimated state average expenditure per pupil for the school year preceding the year
4 of distribution.

5 2 Effective Date. This act shall take effect July 1, 2025.

**HB 717-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to catastrophic aid for special education.

FISCAL IMPACT:

Estimated State Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
Revenue	\$0	\$0	\$0	\$0
Revenue Fund(s)	None			
Expenditures*	\$0	Indeterminable - See Methodology		
Funding Source(s)	Education Trust Fund			
Appropriations*	\$0	\$0	\$0	\$0
Funding Source(s)	None			

*Expenditure = Cost of bill

*Appropriation = Authorized funding to cover cost of bill

Estimated Political Subdivision Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
Local Revenue	\$0	Indeterminable - See Methodology		
Local Expenditures	\$0	\$0	\$0	\$0

METHODOLOGY:

This bill provides school districts with additional state aid by reducing the calculation threshold by which districts are responsible for paying the costs of special education (SPED) from the current 3.5 times the estimated state average expenditure per pupil, down to 3.0 times. The 3.0 times would provide a lower threshold for which more students would qualify for SPED aid, thus allowing districts to receive more money to offset the costs associated with SPED.

The Department of Education states this bill's impact on state expenditures and local district revenue is indeterminable as the number of students that could qualify each year cannot be predicted. It should be noted this program contains a statutory proration mechanism and total aid paid to districts is adjusted based on amounts appropriated (to be determined in the state operating budget). For informational purposes, the total amount of claims submitted for SPED aid for school year 2023-2024 (FY 2025) was \$50,273,602. The FY 2025 appropriation is \$33,917,000, resulting in a proration of 67.5%.

AGENCIES CONTACTED:

Department of Education