

A young child with braided hair is looking down at a garden bed filled with tulips. The child is wearing a blue shirt with the word 'APPY' on it and purple pants. They are holding a red shovel. The garden bed has several tulips in various colors, including pink, yellow, and white. In the background, there is a brick building with windows.

# WHAT'S NEXT FOR PUBLIC EDUCATION: UNPACKING THE HOUSE FINANCE COMMITTEE'S RECOMMENDED BUDGET

Reaching Higher NH

April 3, 2023

*Photo by Allison Shelley for EDUimages*





**All children deserve a high-quality, rigorous, and student-centered education that prepares them for college, careers, and life.**

Reaching Higher NH provides decision makers, leaders, and communities with the research they need to make informed decisions to meet that promise.

# WHAT WE'LL COVER

The Weyler  
Amendment

School Vouchers

Changes to the  
School Funding  
Formula

What's next &  
the budget  
process

1

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# THE WEYLER AMENDMENT

*Photo by Allison Shelley for EDUimages*

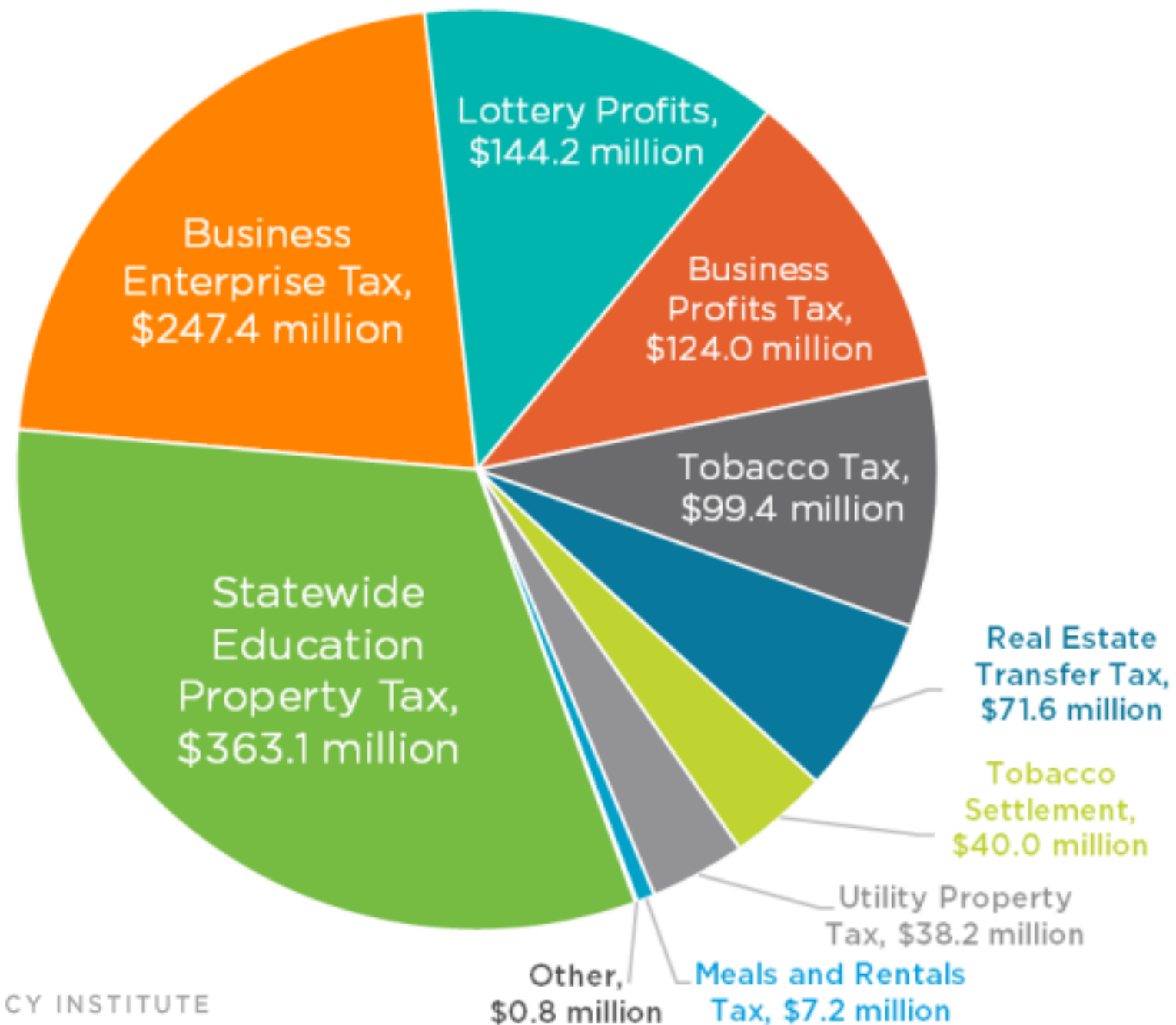




# FUNDING THE EDUCATION TRUST FUND

## NEW HAMPSHIRE'S EDUCATION TRUST FUND STATE FISCAL YEAR 2021 REVENUE SOURCES

Source: New Hampshire Annual Comprehensive Financial Report, State Fiscal Year 2021



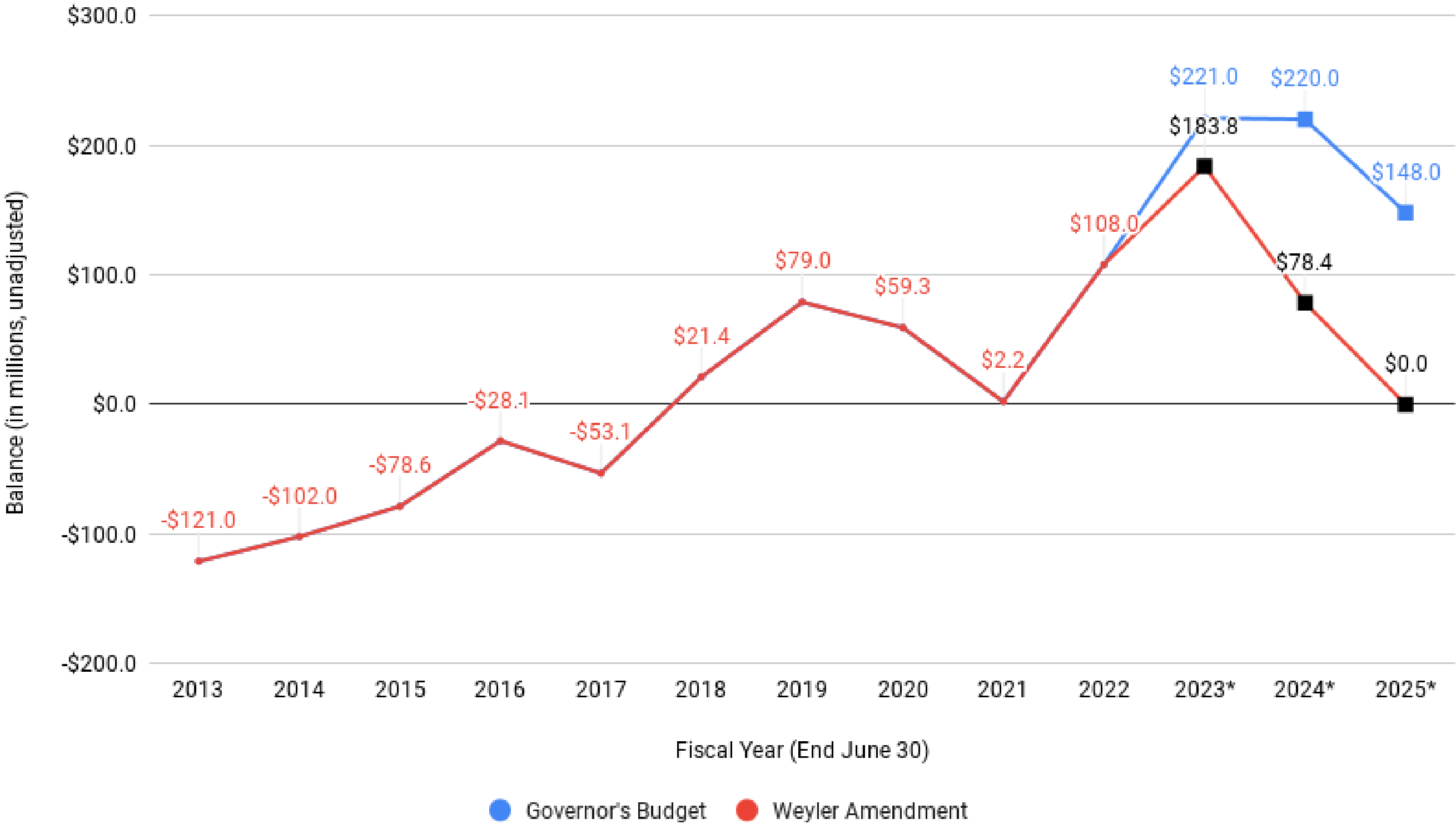


# THE WEYLER AMENDMENT

- Reduces state contribution to Education Trust Fund (ETF)
- Nearly eliminates the Fund's surplus by the end of FY2025
- Moves funding of programs to General Fund:
  - School Building Aid program
  - Special Education Aid (formerly known as "Cat Aid," *not* adequacy-based funding)
  - Career & Technical Education




### Education Trust Fund Balance, 2013-2025 (Estimated)



Source: State of NH Annual Comprehensive Financial Audit Report for End of Fiscal Year 2022, and LBA's FY24-25 GF ETF Budget Surplus Statement 3-28-23







How will it look to the courts for us to be taking money from the Trust, instead of putting money into the Trust — or leaving it as is — and using those funds. **I would encourage you to look at this proposal in terms of how the courts will perceive your actions.**

*-Representative Mary Heath (D-Manchester), speaking to House Finance Chair Ken Weyler (R-Kingston) in his introduction of the amendment*





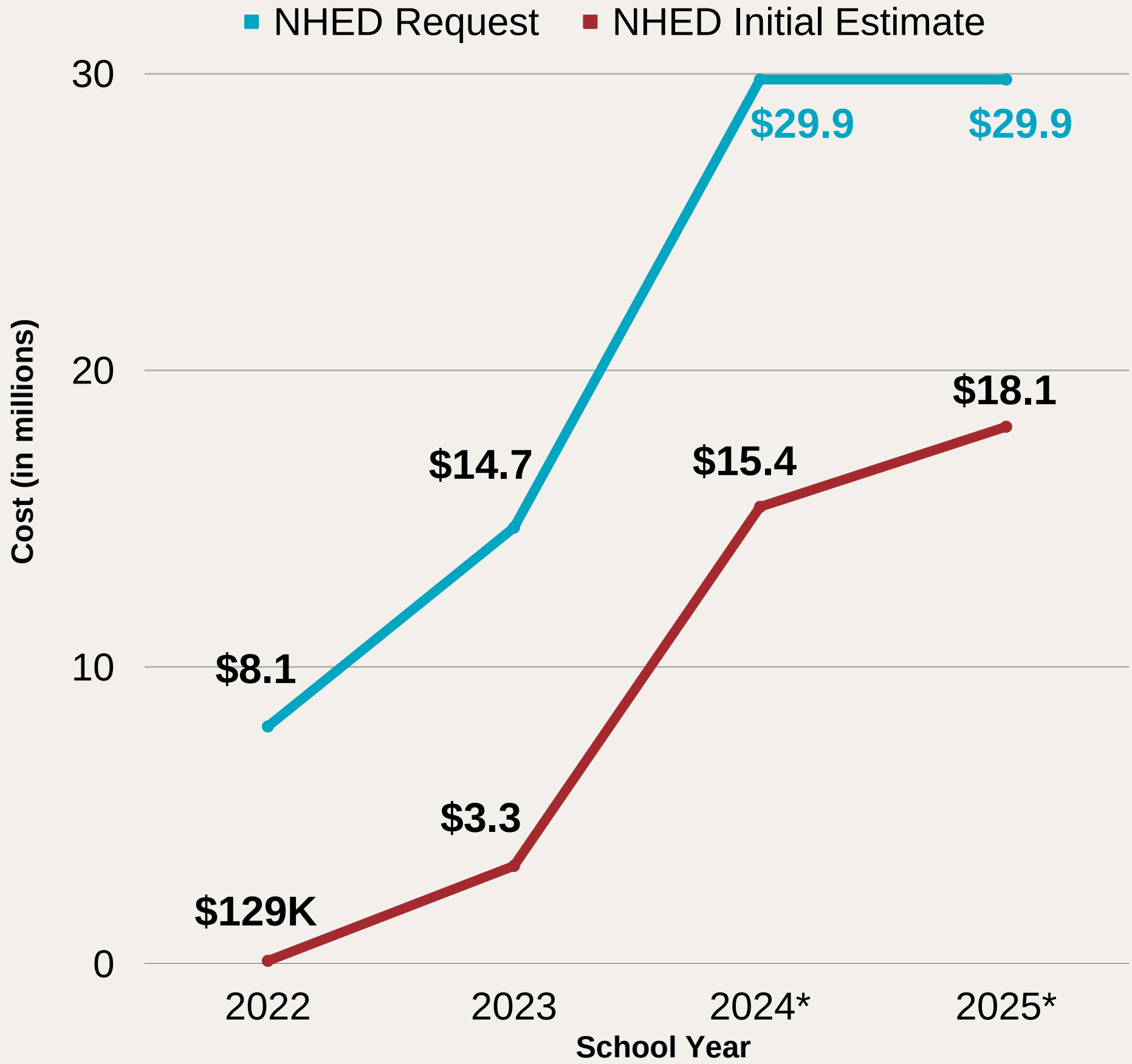
# CHANGES TO SCHOOL VOUCHER PROGRAM



Photo by Allison Shelley for EDUimages



# COST OF SCHOOL VOUCHERS

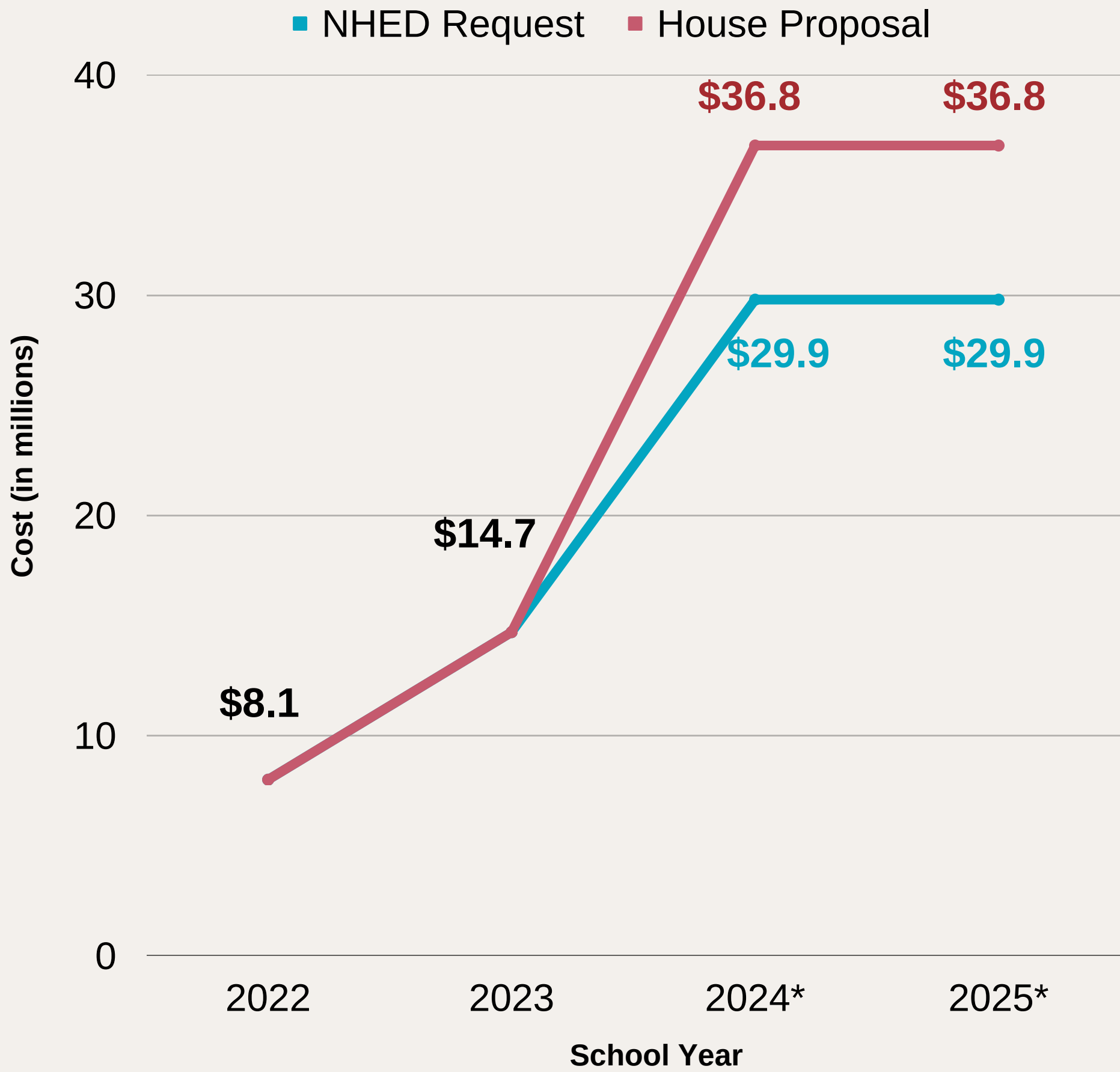


# HOUSE PROPOSAL TO INCREASE ADEQUACY WILL MAKE THE SCHOOL VOUCHER PROGRAM MORE EXPENSIVE

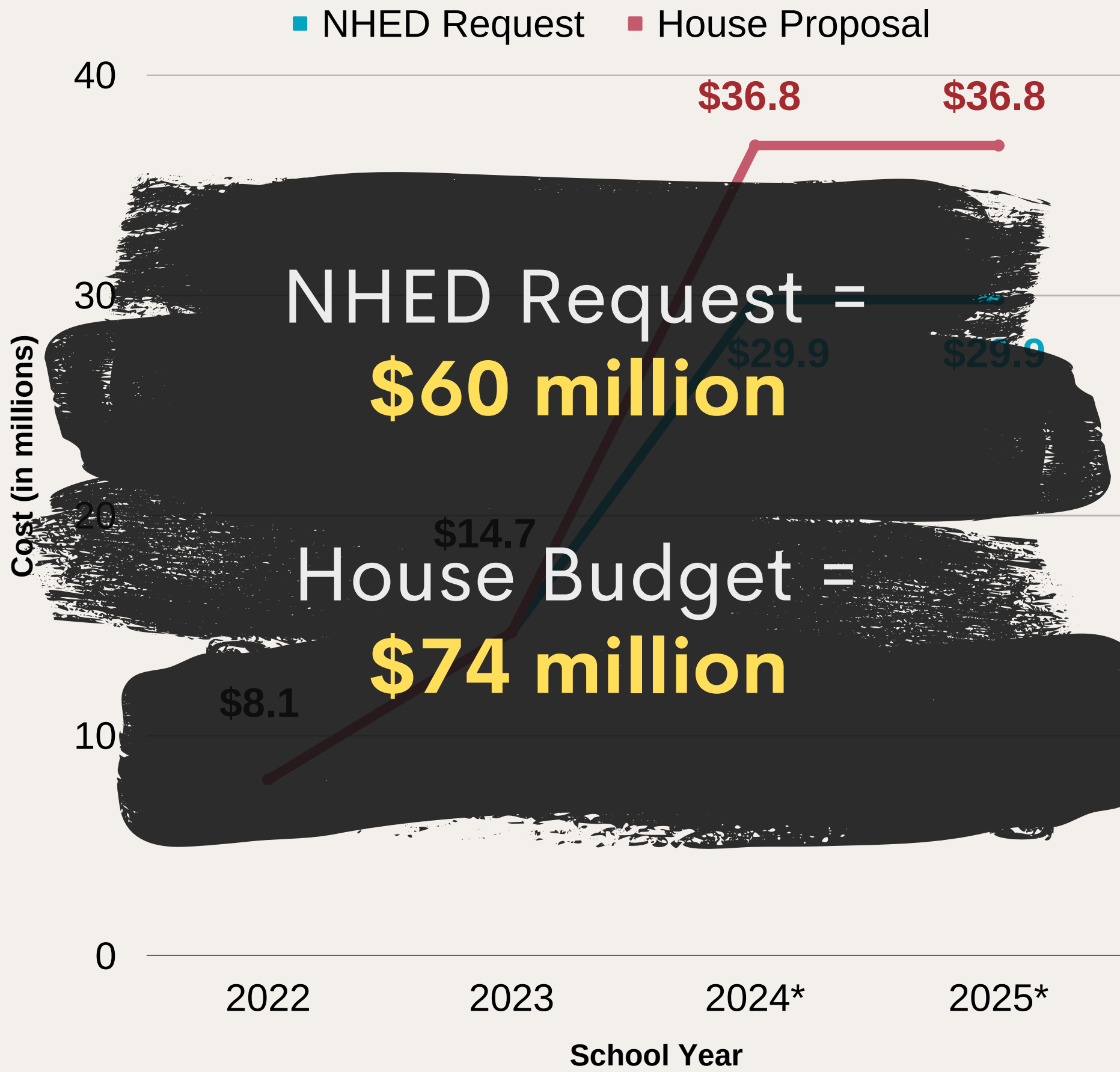
	Current Law	House
Base Adequacy	\$3,866	\$4,700
Free & Reduced Price Lunch	\$1,933	\$2,500
Special Education	\$2,080	\$2,100
English Language Learner	\$756	\$800
3rd Grade Reading	\$756	\$0



# COST OF SCHOOL VOUCHERS

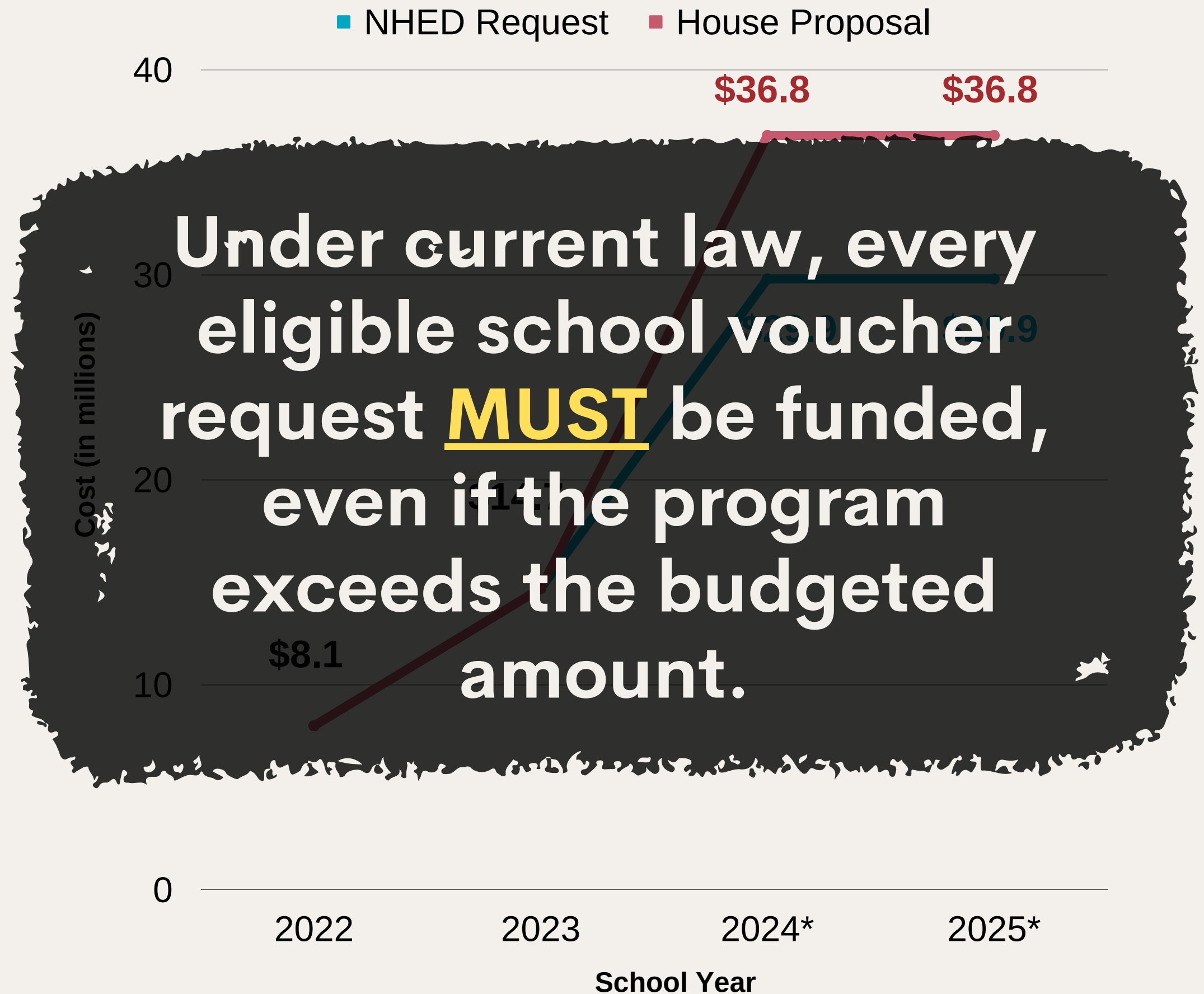


# COST OF SCHOOL VOUCHERS





# COST OF SCHOOL VOUCHERS





**77%**

**of public funds are  
going to students who  
were already enrolled  
in private schools or  
homeschooled**

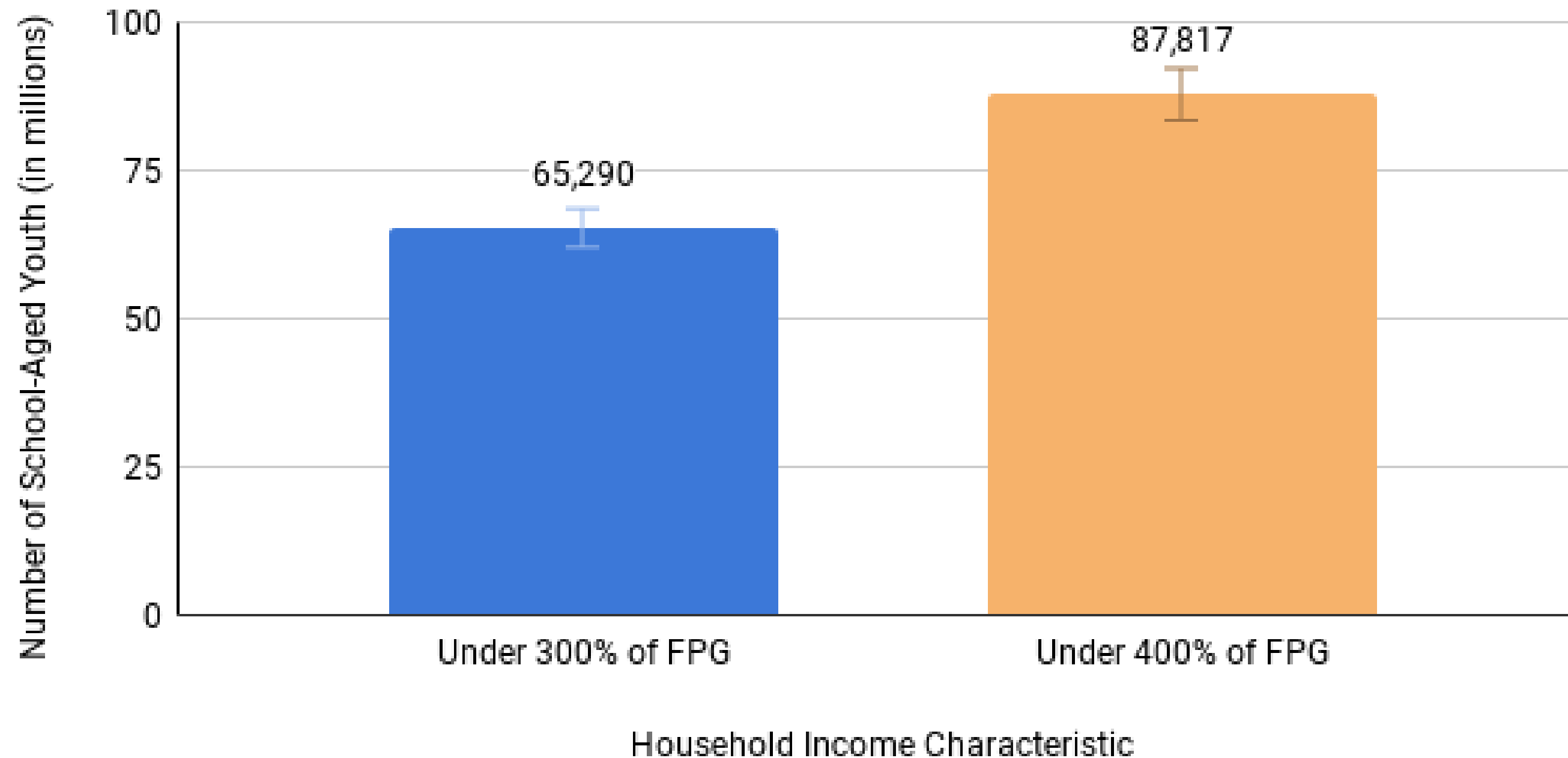


**The House Finance  
Committee's recommended  
budget includes an  
unprecedented expansion to  
the statewide school voucher  
program.**

# INCOME ELIGIBILITY INCREASE

HHS Federal Poverty Guideline, 2023		
Household Size	300% FPG	350% FPG
3	\$74,580	\$87,010
4	\$90,000	\$105,000
5	\$105,420	\$122,990
6	\$120,840	\$140,980

## Estimated Number of School-Aged Youth in New Hampshire, by Income Category, 2021



Source: U.S. Census Bureau, American Community Survey One-Year Estimates, 2021



# CATEGORICALLY UNIVERSAL SCHOOL VOUCHER PROGRAM

- Students who live in the "geographic boundary" of a designated school
- Students with a designated Manifest Education Hardship
- Students with disabilities
- Students in foster care or experiencing homelessness
- "Persistently bullied" students
- Students eligible for school meals
- Students in military families
- English Language Learners

*...regardless of their family income*

# CATEGORICALLY UNIVERSAL SCHOOL VOUCHER PROGRAM: DESIGNATED SCHOOLS

- VLACS\* - **Statewide**

- Manchester

- Nashua

- Franklin

- Newport

- Barnstead

- Middleton

- Milton

- Northumberland

- Pittsburg

- Pittsfield

- Keene\*

- Rochester\*

- Derry\*

- Concord\*

- Lebanon\*

- Littleton\*

- Conway\*

\* = *Charter schools*



**CATEGORICALLY  
UNIVERSAL SCHOOL  
VOUCHER PROGRAM:  
DESIGNATED SCHOOLS**

**\$78  
MILLION  
PER YEAR**

for existing private  
school students

# CONCERNS WITH SCHOOL VOUCHERS

- Siphons funding away from public schools
- Zero accountability to public despite use of public dollars
- No guardrails to protect students & families
- Limited transparency
- No indicator of how students are doing in programs, by design

# PROGRAM ACCOUNTABILITY

- Legislative Oversight Committee, required to submit an annual report
  - Last meeting: March 2023
- Performance audit expected in October 2023: Requires state LBA to look at how NHED is monitoring access, spending, phase-out grants

**“I’ve was dismayed this morning to hear that you’ve had hours of presentations from the NHED but they haven’t given you any of those [school voucher] reports -- the fiscal reports, the vendor reports, the expense reports. We’ve been reporting them quarterly.”**

*-Kate Baker-Demers, Executive Director, Children's Scholarship Fund, at a public hearing in January 2023*



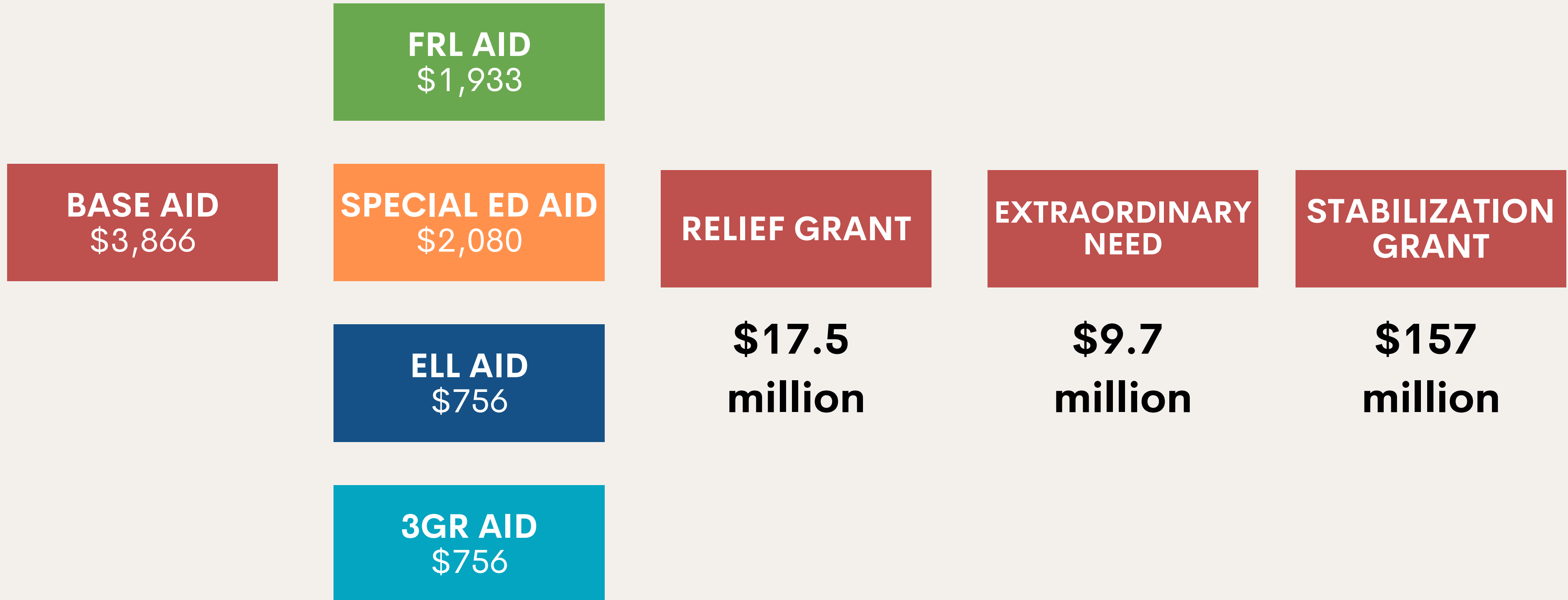
# CHANGES TO THE SCHOOL FUNDING FORMULA

*Photo by Allison Shelley for EDUimages*





# CURRENT SCHOOL FUNDING FORMULA



# SCHOOL FUNDING IN THE HOUSE FINANCE COMMITTEE'S PROPOSED BUDGET

- Increases base, Free & Reduced-Price Lunch, special education, English Language Learner aid categories
- 2% annual increase in foundation formula replaces the biennial adjustment
- Extraordinary need grants increase biennially until 2036
- Eliminates:
  - Stabilization Grants (\$157 million)
  - Relief Grants (\$17.5 million)
  - 3rd Grade Reading Differential (\$2 million)
- Creates a "Hold Harmless" Grant in 2024, 20% biennial phaseout (eliminated in 2036)



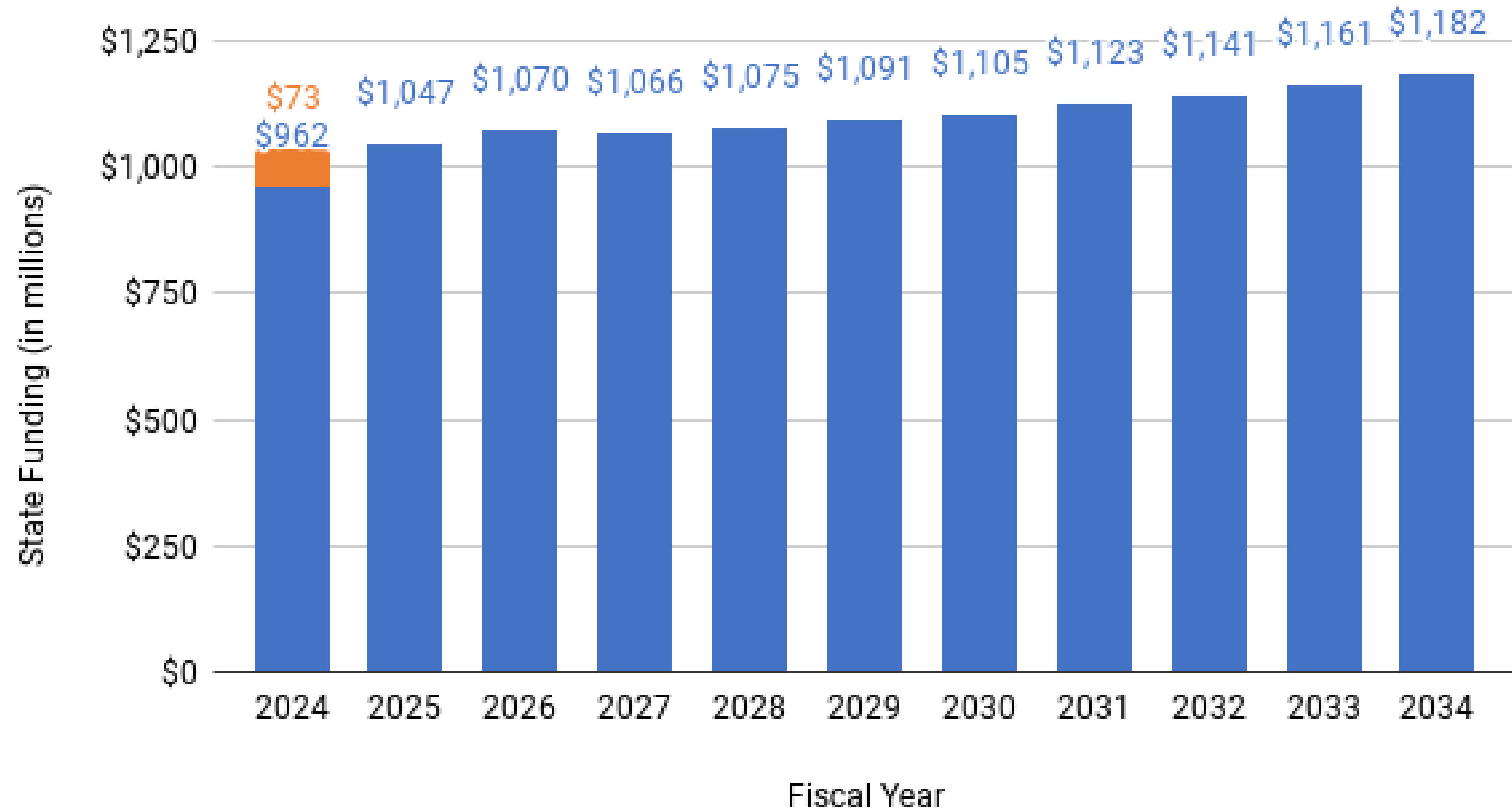
# COMPARING PROPOSALS

	<b>Current Law</b>	<b>Governor's Proposal</b>	<b>House Finance Proposal</b>
<b>Base Aid</b>	<b>\$3,866</b>	<b>\$4,700</b>	<b>\$4,700</b>
<b>Free &amp; Reduced-Price Lunch</b>	<b>\$1,933</b>	<b>\$2,500</b>	<b>\$2,500</b>
<b>Special Education</b>	<b>\$2,080</b>	<b>\$2,080</b>	<b>\$2,100</b>
<b>English Language Learner</b>	<b>\$756</b>	<b>\$756</b>	<b>\$800</b>
<b>3rd Grade Reading</b>	<b>\$756</b>	<b>\$0</b>	<b>\$0</b>

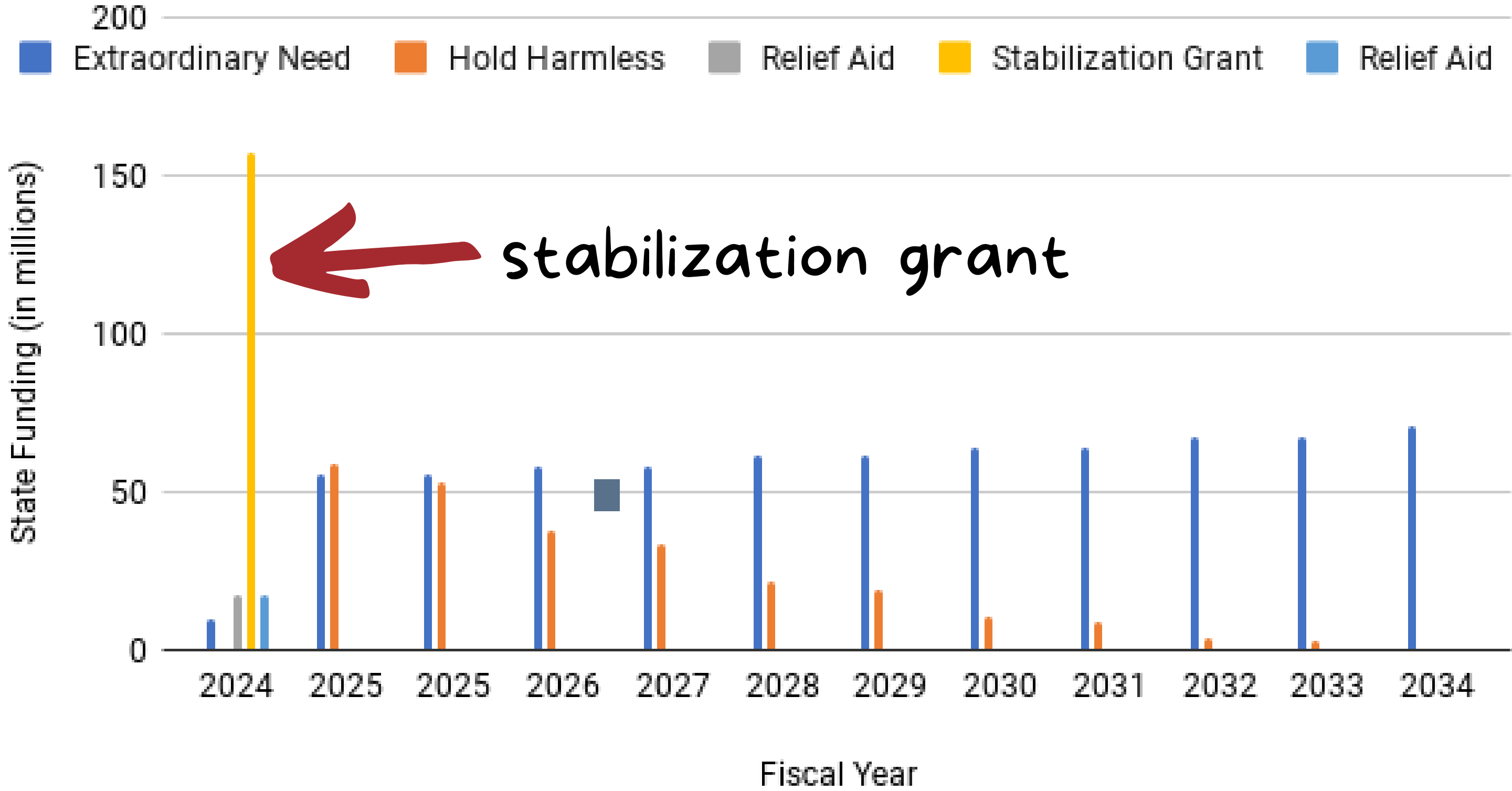
# COMPARING PROPOSALS

	Governor's Proposal	House Finance Proposal
<b>Per-Student Funding</b>	<b>Increases Base, FRL</b>	<b>Increases Base, FRL, Special Ed, ELL</b>
<b>Stabilization Grant (\$157M)</b>	<b>PHASED OUT</b>	<b>PHASED OUT</b>
<b>Relief Aid (\$17.5M)</b>	<b>ELIMINATED</b>	<b>ELIMINATED</b>
<b>Extraordinary Need Grant</b>	<b>\$9.7M in FY24, 50% biennial increase</b>	<b>\$55.4M in FY24, 5% biennial increase</b>

## Total Estimated State Funding for Public Schools, 2024-2034

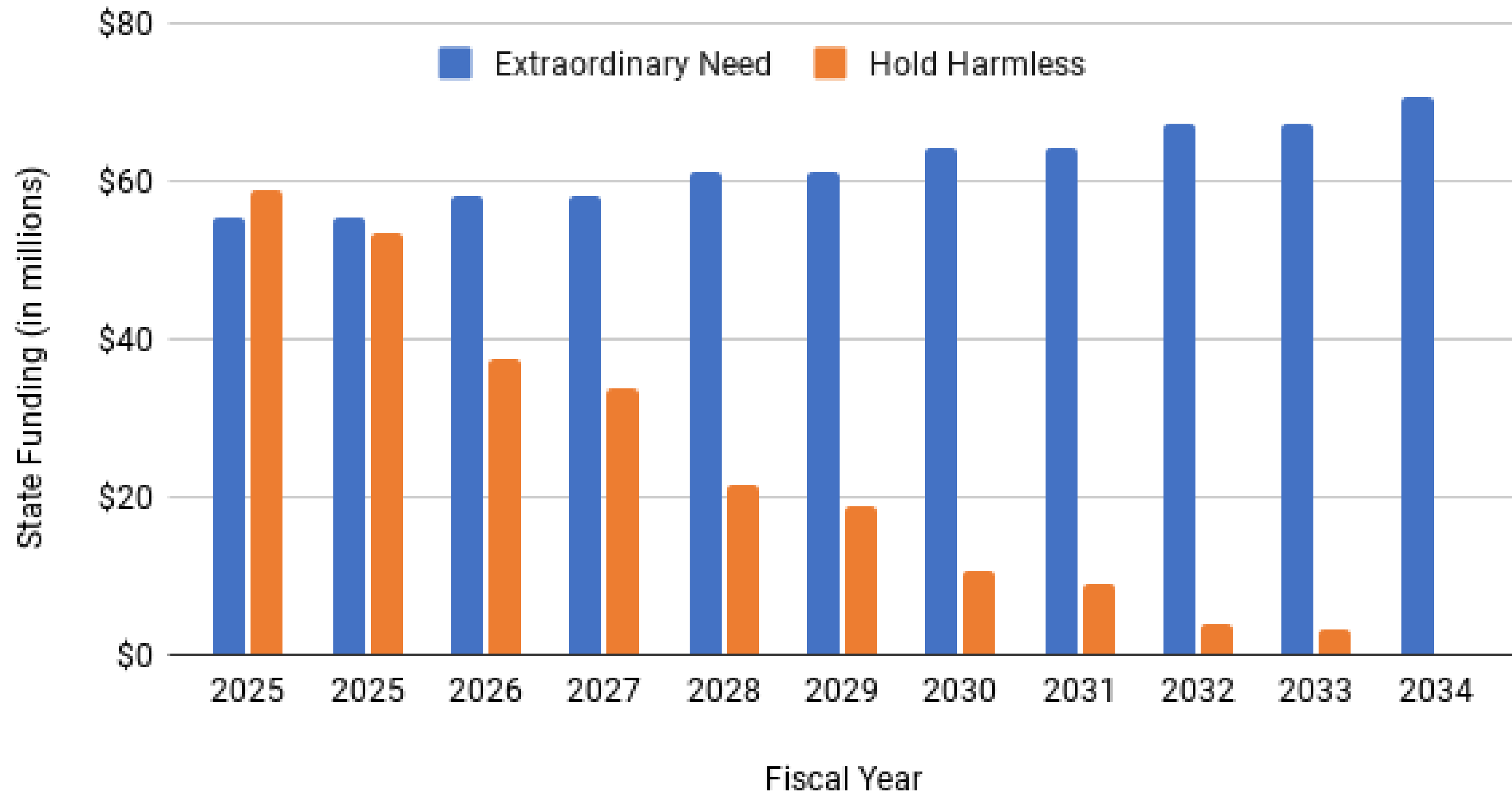


# Estimated Targeted Funding, 2024-2034

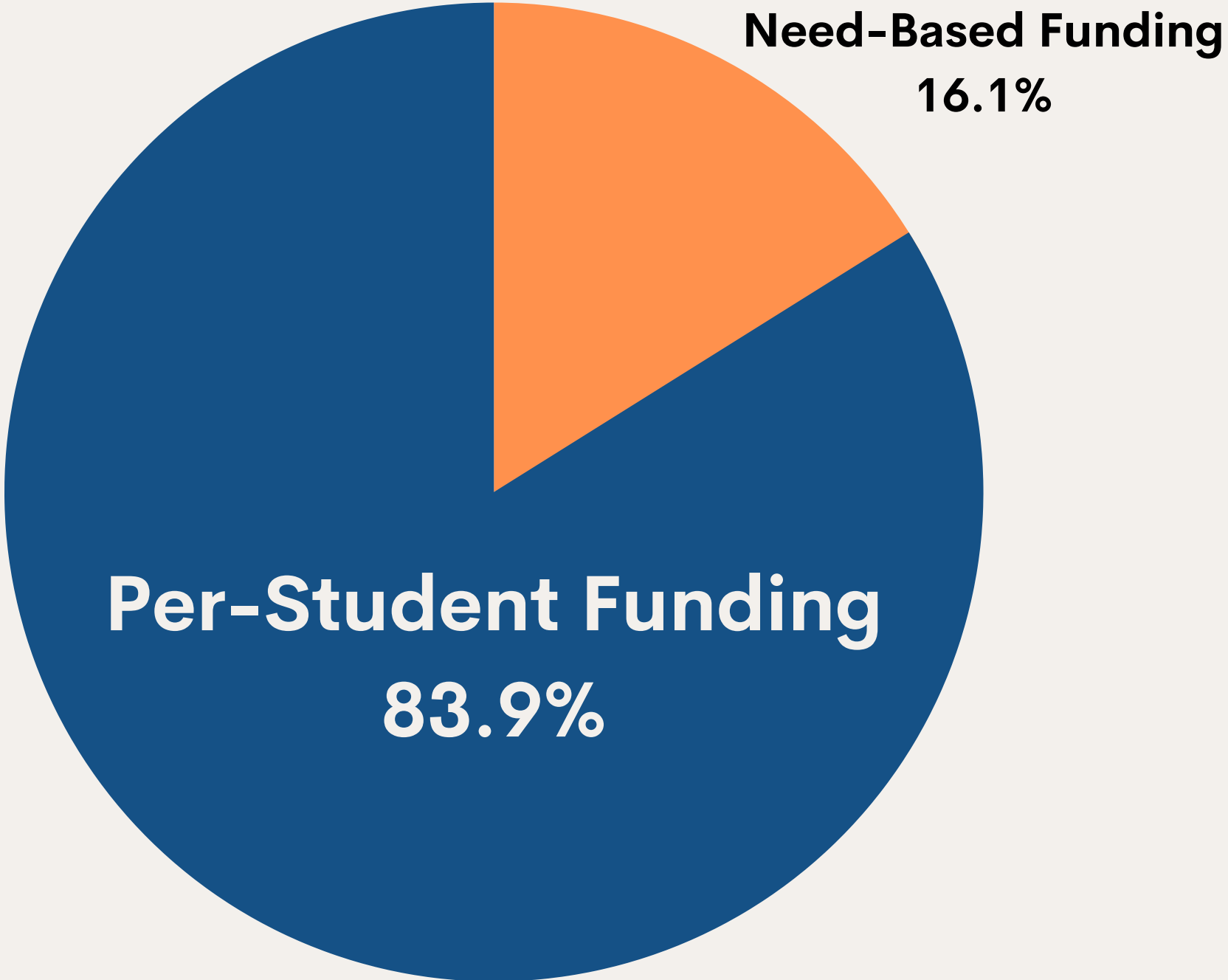




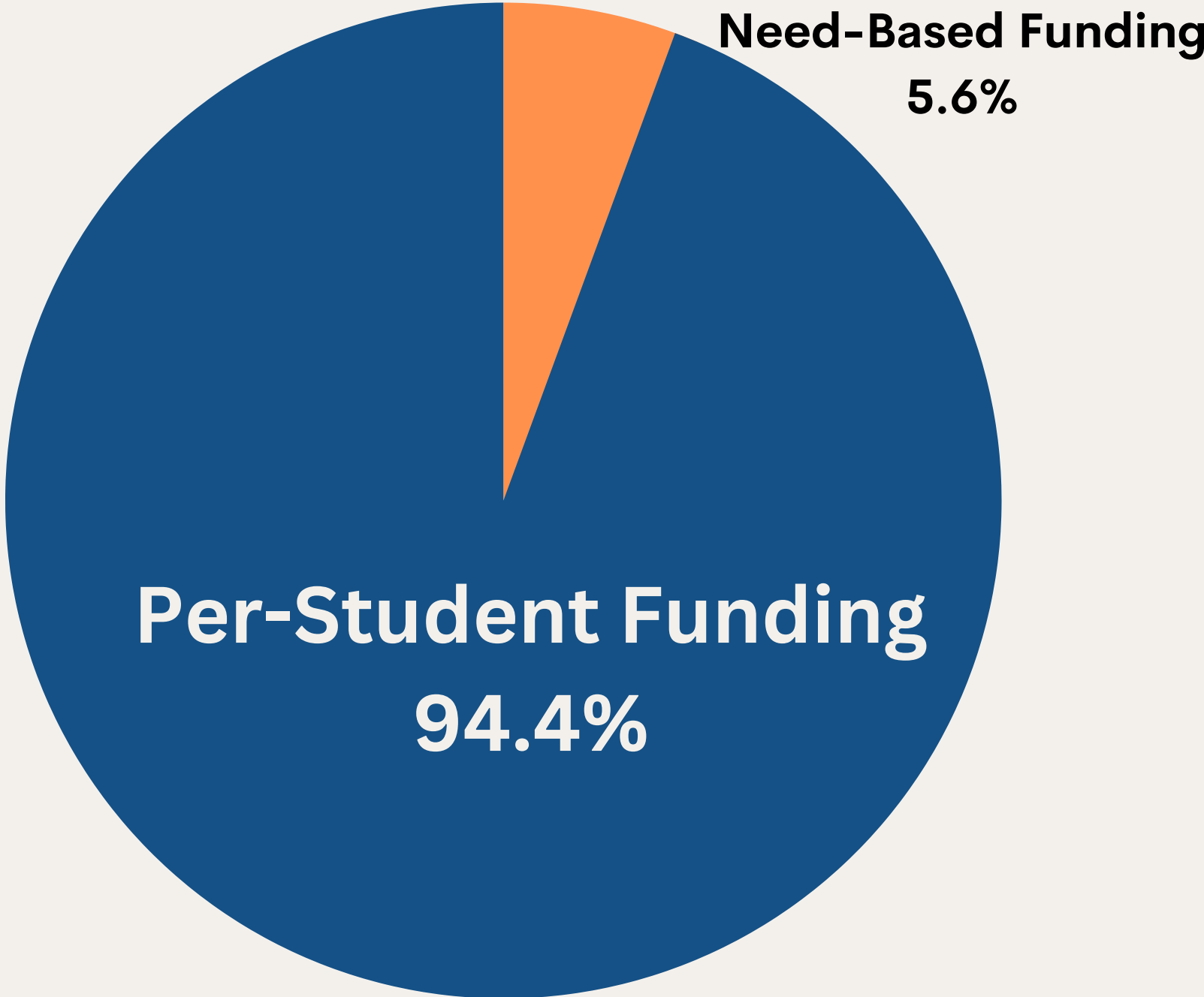
## Estimated Targeted Funding, 2024-2034



# Current Funding Formula 2024 Estimate



# House Finance Committee Formula Fully Phased In (2034)



# NEED-BASED FUNDING IN THE HOUSE FINANCE COMMITTEE'S FORMULA

**EXTRAORDINARY  
NEED**

**\$55  
million**

	Extraordinary Need (House Finance)
<b>Manchester</b>	\$15,824,684
<b>Nashua</b>	\$5,521,522
<b>Rochester</b>	\$3,536,119
<b>Concord</b>	\$2,308,859
<b>Claremont</b>	\$2,185,927
<b>Keene</b>	\$1,966,054
<b>Berlin</b>	\$1,671,233
<b>Franklin</b>	\$1,634,993
<b>Newport</b>	\$1,343,103
<b>Laconia</b>	\$1,261,290
<b>Somersworth</b>	\$1,133,370

# NEED-BASED FUNDING IN THE HOUSE FINANCE COMMITTEE'S FORMULA

	Total Targeted (Current Law)	Total Targeted (House Proposal)	Difference in Targeted Funding	
Manchester	\$19,264,449	\$15,824,684	-\$3,439,765	<b>-18%</b>
Nashua	\$7,872,998	\$5,521,522	-\$2,351,476	<b>-30%</b>
Rochester	\$10,227,420	\$6,389,837	-\$3,837,583	<b>-38%</b>
Concord	\$2,907,885	\$2,308,859	-\$599,026	<b>-21%</b>
Claremont	\$7,062,557	\$5,409,476	-\$1,653,081	<b>-23%</b>
Keene	\$4,354,873	\$2,008,627	-\$2,346,246	<b>-54%</b>
Berlin	\$6,145,900	\$5,099,954	-\$1,045,946	<b>-17%</b>
Franklin	\$4,679,644	\$3,621,123	-\$1,058,521	<b>-23%</b>
Newport	\$4,178,466	\$3,371,558	-\$806,908	<b>-19%</b>
Laconia	\$2,251,629	\$1,261,290	-\$990,339	<b>-44%</b>
Somersworth	\$2,724,971	\$1,383,948	-\$1,341,023	<b>-49%</b>



# THE HOUSE FINANCE COMMITTEE'S PROPOSED FORMULA: KEY TAKEAWAYS

Funding our schools fairly and adequately is **not either-or**: schools need both base funding *and* need-based funding.

**Need-based funding is one of the most critical strategies to improving opportunities and outcomes for students**, ensuring that all students, regardless of their background or where they live, have access to a high-quality education that gives them what they need to learn, grow, and thrive.

The House Finance's proposed formula, while it begins to address the challenges we know exist in our base funding formula, moves away from the **need-based funding we know works** for our students, schools, and communities.



# OTHER BUDGET HIGHLIGHTS



Photo by Allison Shelley for EDUimages



# OTHER BUDGET HIGHLIGHTS

- One-time appropriation to establish a fund of \$75 million for school building aid fund to local school districts beyond this biennium **REMOVED**
  - ~\$43 million in building aid this biennium
- NHED administrative fees **ADDED**
- Investment in Computer Science & Civics
  - CS: \$500k for PD to help teachers obtain a computer science credential; \$10k bonuses for educators to teach computer science; **CS administrative staff at NHED ADDED**
  - Civics: \$2m to "revamp" civics curriculum **FUNDING REMOVED**
- Student debt relief for healthcare, biotech, social work, and other in-demand fields **REMOVED**
- Increase in charter school funding (HB 272)
- Dual & Concurrent Enrollment scholarships **INCREASED**



# WHAT'S NEXT FOR NEW HAMPSHIRE





## **NEXT STEPS**

**House vote  
scheduled for  
Thursday, April 6**



A hand is pointing at a smartphone screen. The background is a soft-focus image of a hand holding a smartphone. Several white outline icons of envelopes are floating in the air around the hand and phone. The text is overlaid on the left side of the image.

# **SIGN UP FOR OUR EMAIL & NETWORK**

[bit.ly/edfundingnews](https://bit.ly/edfundingnews)

[bit.ly/nhednetwork](https://bit.ly/nhednetwork)





## **Reaching Higher NH**

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