



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

Reaching Higher NH

May 31, 2023

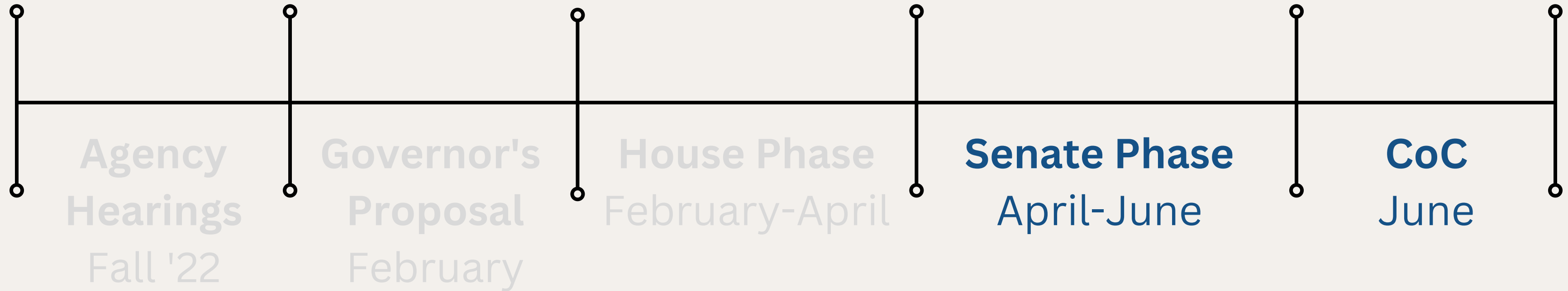
Photo by Allison Shelley for EDUimages



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.

TIMELINE



Senate Sessions:

June 1

June 7 & 8

CHANGES TO THE SCHOOL FUNDING FORMULA

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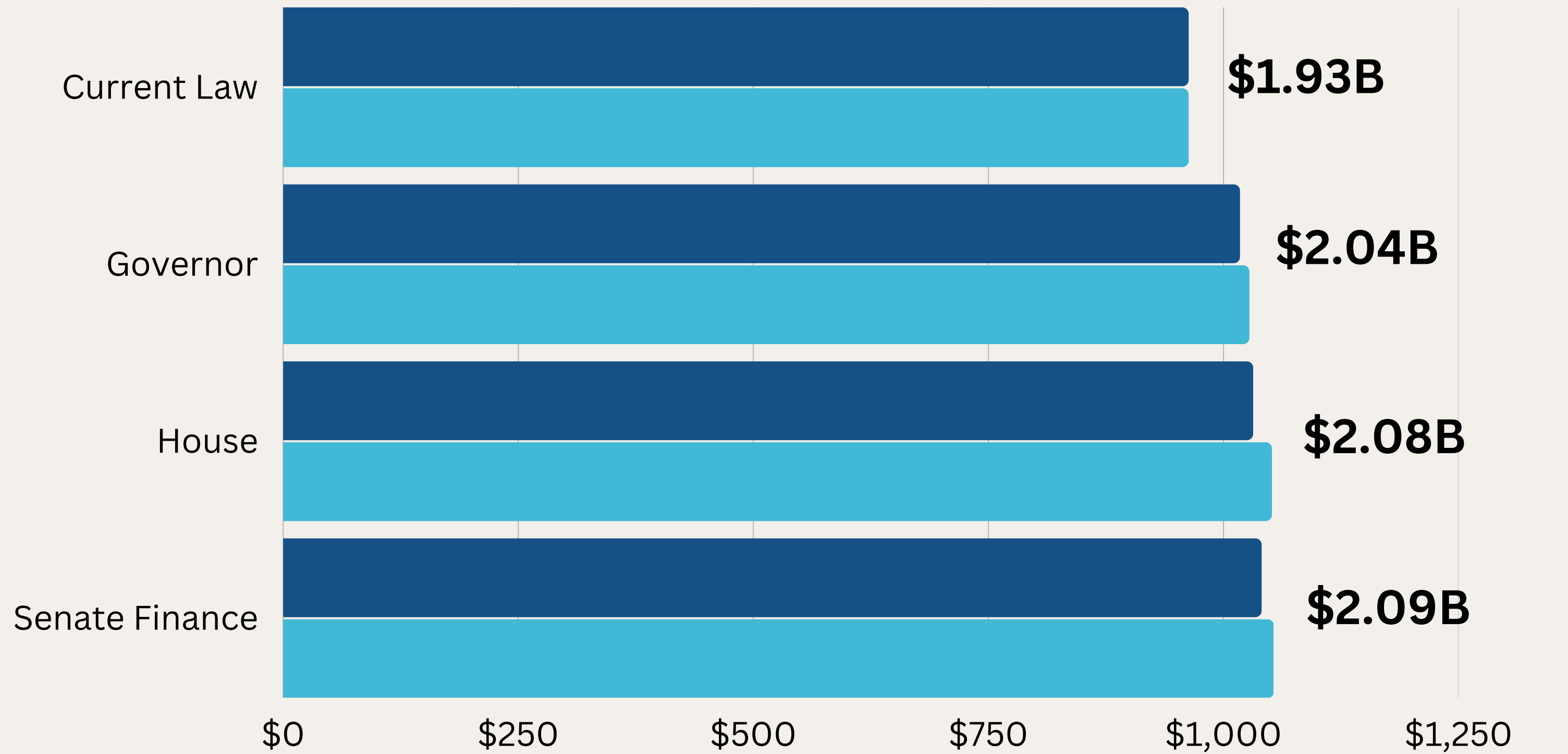


COMPARING PROPOSALS: OVERALL FUNDING

	Current Law	Governor	House	Senate Finance
FY 2024	\$962.4	\$1,017	\$1,031	\$1,040
FY 2025	\$962.4	\$1,027	\$1,051	\$1,053

**Estimates in millions*

COMPARING PROPOSALS: OVERALL FUNDING



**Estimates for the biennium*

FOUNDATION AND TARGETED AID PER STUDENT

	Current Law	Governor	House	Senate Finance
Foundation Funding (Base, Differentiated Aid)	\$4,773	\$5,731	\$4,946	\$5,088
Targeted Aid	\$1,175	\$913	\$1,442	\$968

Estimates exclude Hold Harmless

FOUNDATION FUNDING PER STUDENT

	Current Law	Governor	House	Senate Finance
Base Aid	\$3,866	\$4,700	\$4,000	\$4,100
Free & Reduced Price Lunch	\$1,933	\$2,500	\$2,100	\$2,300
Special Education	\$2,080	\$2,080	\$2,100	\$2,300
English Language Learner	\$756	\$756	\$1,000	\$800
3rd Grade Reading	\$756	\$0	\$0	\$0

TYPES OF TARGETED FUNDING

Extraordinary Need	Targeted funding for school districts based on local property tax capacity and concentration of students navigating poverty. Grants based on property valuation and number of students participating in the Free and Reduced Price Lunch program.
Relief Aid	Targeted funding to school districts with high concentrations of students navigating poverty, measured by participation in the Free and Reduced Price Lunch program.
Fiscal Capacity Disparity Aid	Targeted funding to school districts based on local property tax capacity.
Stabilization	A historic block grant provided to school districts after an overhaul of the state education funding formula in 2012.
Hold Harmless	A newly proposed block grant intended to maintain state education funding to FY 2024 calculated levels for school districts that would otherwise lose funding under new funding formulas.

TARGETED FUNDING

	Current Law	Governor	House	Senate Finance
Extraordinary Need	YES	YES	YES	YES
Relief Aid	YES	NO	YES	NO
Fiscal Capacity Disparity Aid	NO	NO	YES	NO
Stabilization	YES	NO	YES	NO
Hold Harmless	NO	YES	YES	YES

TARGETED FUNDING

	Current Law	Governor	House	Senate Finance
Extraordinary Need	\$9.6M	\$9.6M	\$44.3M	\$151M
Relief Aid	\$17.5M	\$0	\$9M	\$0
Fiscal Capacity Disparity Aid	\$0	\$0	\$39M	\$0
Stabilization	\$157M	\$0	\$133M	\$0
Hold Harmless	\$0	\$87M	\$0.6M	\$63.2M

**Estimates for FY24*

ABOUT THE SENATE FINANCE FORMULA

- Increases per-student funding, simplifies formula
 - Increases base adequacy & differentiated aid over current law
 - Eliminates relief aid (\$17.5M) & stabilization grants (\$157M)
 - Expands eligibility for, and amount of, extraordinary need grants
 - \$8,500 max grant in FY24 & FY25, increases to \$11,500 in FY26
 - Hold harmless: 104% of FY24 estimates, phases out by FY2034
 - 2% per year increase across the board
- Provides more funding to communities over current law, Governor's recommended, and House passed formulas
- After hold harmless phaseout, will be a solely student-based formula

TOWN-BY-TOWN COMPARISON

	Current Law	House	Senate Finance
Manchester	\$82.2	\$96.0	\$109.7
Nashua	\$57.3	\$61.4	\$69.4
Concord	\$21.9	\$24.5	\$27.0
Dover	\$17.3	\$18.5	\$20.3
Laconia	\$11.6	\$12.3	\$13.7
Salem	\$15.8	\$16.1	\$16.5
Tamworth	\$1.7	\$1.8	\$2.1
Exeter	\$8.2	\$8.5	\$8.7
Pelham	\$7.0	\$7.2	\$7.4
Stratham	\$4.7	\$4.8	\$4.9

**Estimates in millions. Source: LBA Estimates*

TOWN-BY-TOWN COMPARISON

	Current Law	House	Senate
Rochester	\$28.9	\$32.0	\$29.8
Claremont	\$15.1	\$17.1	\$15.7
Derry	\$30.9	\$33.2	\$31.8
Milford	\$10.4	\$11.5	\$10.7
Goffstown	\$10.9	\$12.0	\$11.2
Brookline	\$5.5	\$6.4	\$5.6
Franklin	\$9.8	\$10.8	\$10.1
Bow	\$6.4	\$7.2	\$6.6
Bedford	\$17.3	\$19.0	\$18.3
Berlin	\$11.1	\$12.1	\$11.5

**Estimates in millions. Source: LBA Estimates*

HOUSE FORMULA VS SENATE FINANCE FORMULA

Manchester	+\$13.7M
Nashua	+\$8M
Concord	+\$2.5M
Dover	+\$1.8M
Laconia	+\$1.5M

Rochester	-\$2.1M
Claremont	-\$1.5M
Derry	-\$1.3M

Source: LBA Estimates

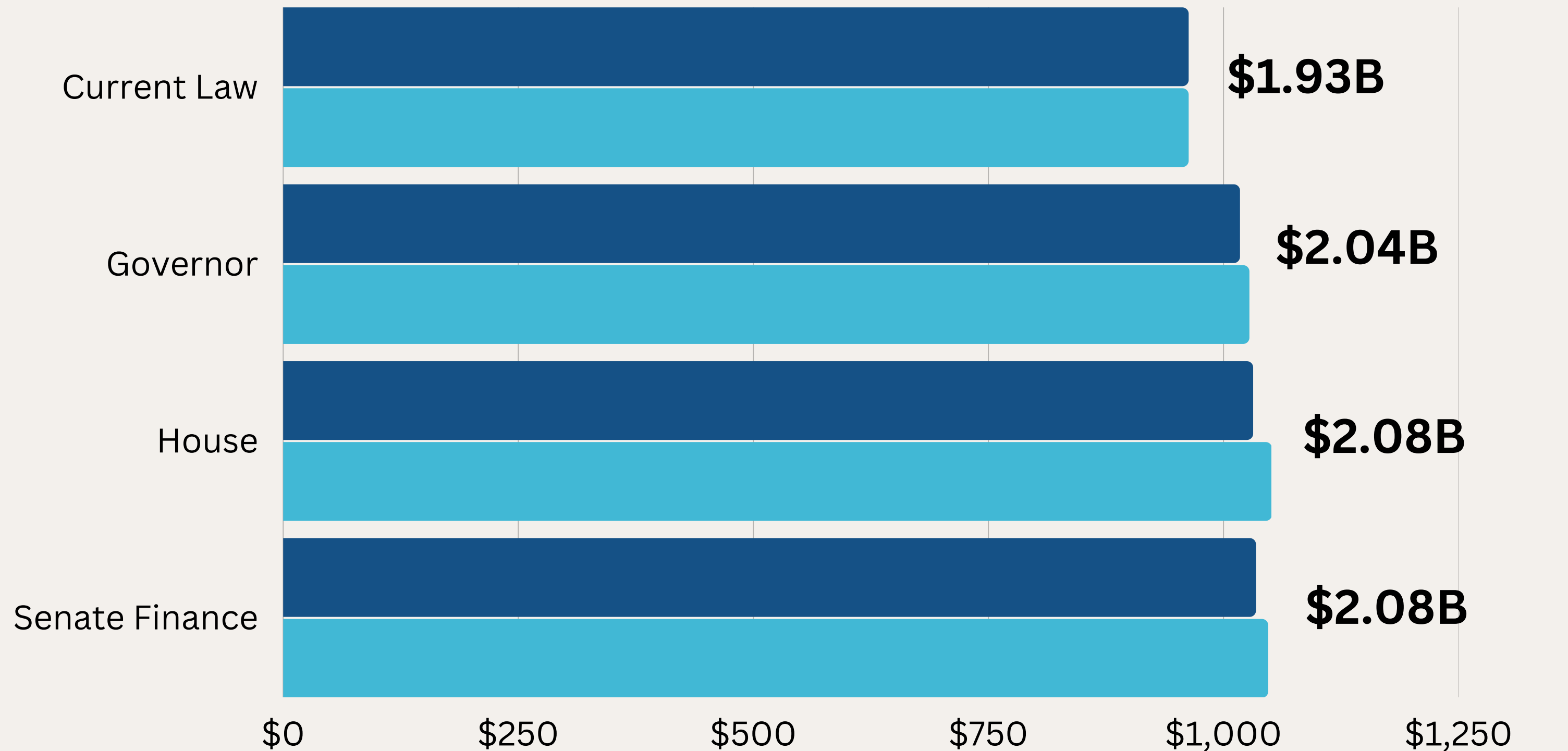
SENATE FINANCE FORMULA, FY24-FY34

Manchester	+\$31.8M
Nashua	+\$15.8M
Rochester	+\$7.4M
Concord	+\$7.1M
Keene	+\$4.4M
Dover	+\$3.5M
Laconia	+\$3.4M
Claremont	+\$2.8M
Franklin	+\$2.7M
Somersworth	+\$2.6M

Derry	-\$1.3M
Litchfield	-\$1.2M
Weare	-\$1.1M
Raymond	-\$800K
Sandown	-\$687K
Antrim	-\$681K
Danville	-\$597K
Pembroke	-\$559K
Epsom	-\$471K
New Ipswich	-\$401K

Source: LBA 10 Year Projections, FY24-FY34. Figures do not include Amendment 2030s

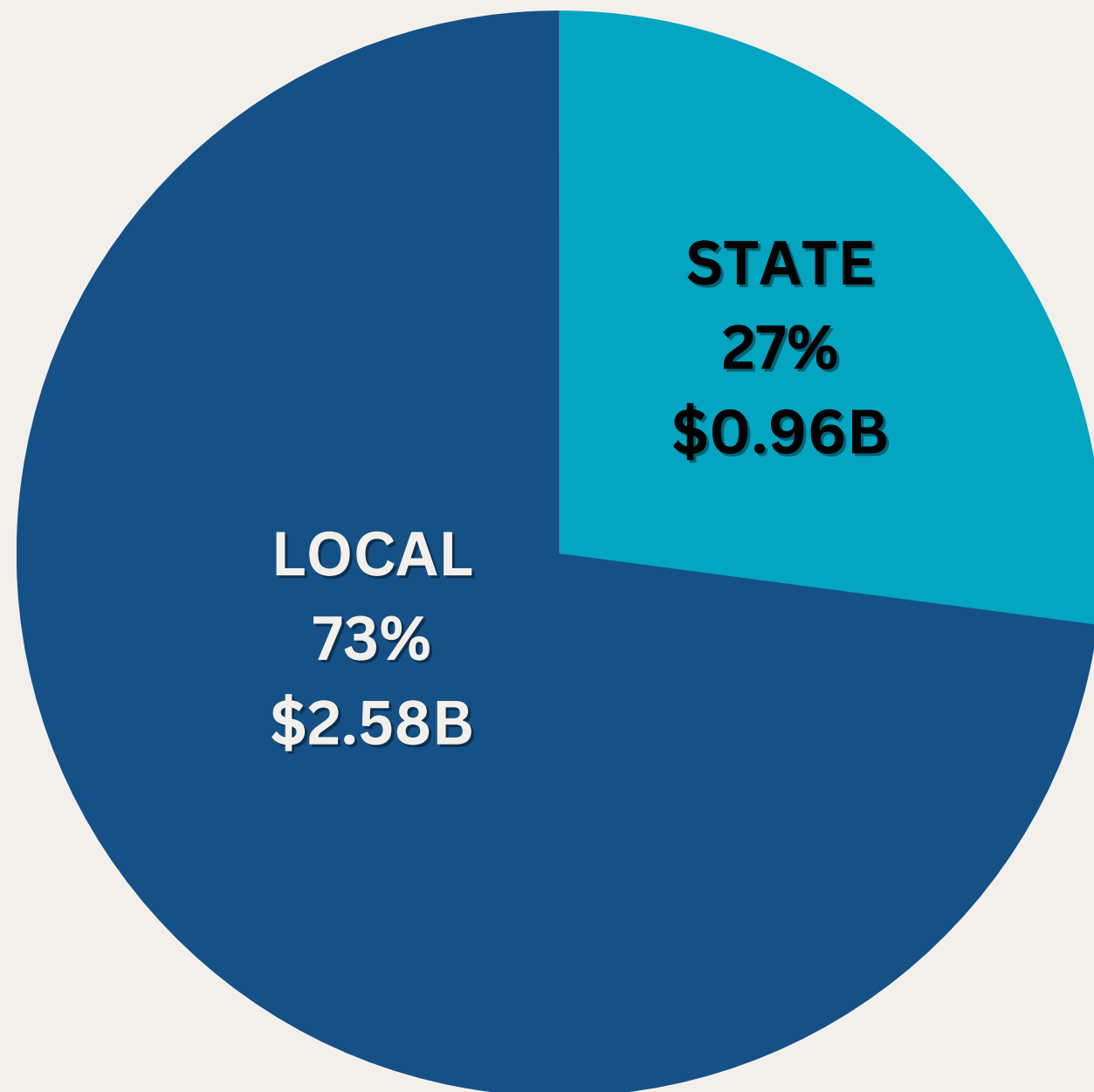
COMPARING PROPOSALS: OVERALL FUNDING



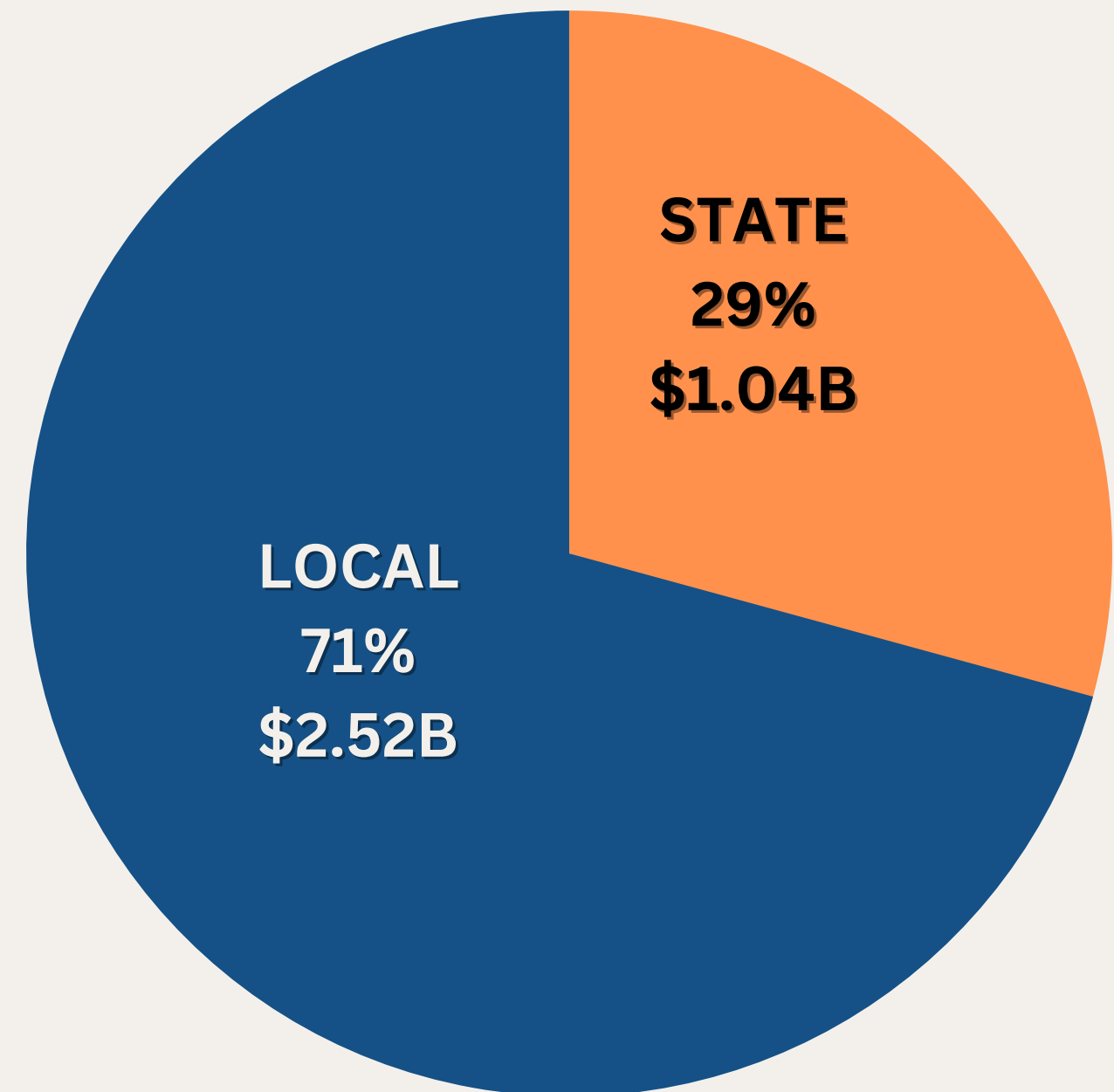
**Estimates for the biennium*

STATE FUNDING AS A PROPORTION OF OVERALL FUNDING

current formula



senate finance formula



**Estimates for FY24*

KEEP IN MIND...

Two education funding lawsuits remain unresolved

- **ConVal vs. New Hampshire**

- The ConVal School District – along with 15 other districts – claim that the costs associated with education funding are far above the adequacy aid the state provides
- **None of the 24-25 budget proposals increase per-pupil spending to the levels requested within the lawsuit**

- **Rand vs. New Hampshire**

- A group of NH taxpayers claim the Statewide Property Tax (SWEPT) is unconstitutional
- **None of the 24-25 budget proposals make changes to SWEPT**

OTHER BUDGET HIGHLIGHTS



Photo by Allison Shelley for EDUimages

WEYLER AMENDMENT REMOVED

- 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

Senate Finance budget specifies 41% of BPT/BET to go into ETF

SCHOOL MEALS PROVISIONS REMOVED

- **Medicaid Direct Certification (MDC):** MDC would create a partnership between NH DHHS and NHED to identify eligible public school students for the Free and Reduced Price Lunch program
 - NHED estimates that approximately 9,000 students would be enrolled through MDC in FY2025, other estimates higher
- **Expanded School Meals:** House budget expanded school meal eligibility to 300% of federal poverty guideline (currently 185%)
- **Study committee:** Senate Finance plan establishes a study committee in place of school meal eligibility & MDC

TEACHER RECRUITMENT PROGRAM ADDED

- **Teacher Stipend Program (SB 140):** Senate Finance Budget includes SB 140, which would create a stipend program for student teachers during their student teacher programs. Funded from ARPA/ESSER funds.

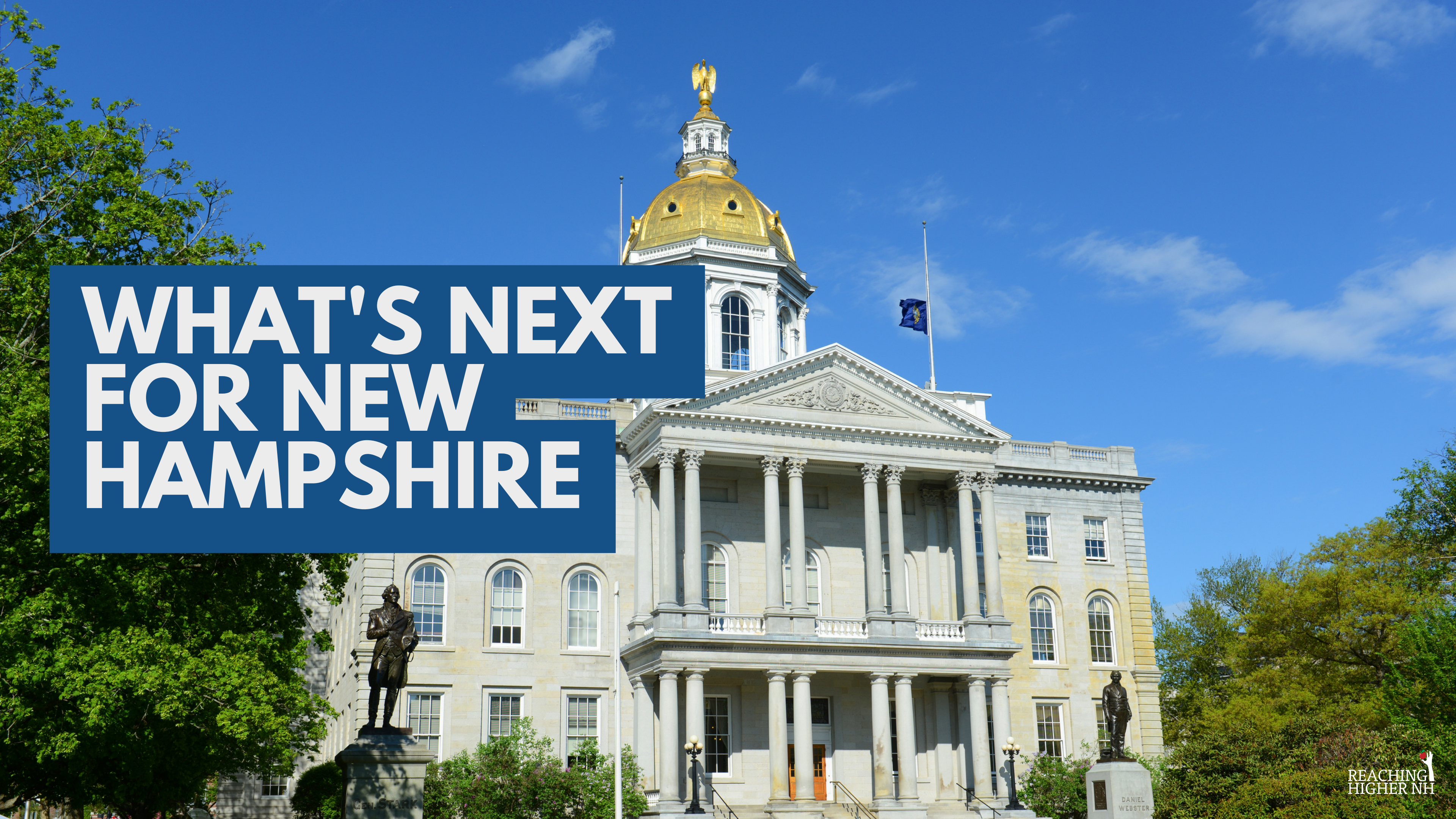
OTHER BUDGET HIGHLIGHTS

- School building aid: ~\$43 million in building aid, no one-time fund
- Charter school funding: Kept higher charter school funding (changed additional funding to \$4,900, an increase of ~\$1,700 per student)
- Public School Infrastructure Fund: \$10 million over biennium
- School Guardian Pilot Program: \$1.5 million in FY2024 (proposed, not funded)
- Reduces CTE Tuition and Transportation by \$4.4 million over biennium to \$9 million per year
- Investment in Computer Science & Civics
 - CS: \$4 million, including \$500k for PD to help teachers obtain a computer science credential & \$2.7 million in credentialing
 - Civics: \$2m to "revamp" civics curriculum **FUNDING RESTORED TO \$1M**
- Dual & Concurrent Enrollment scholarships kept

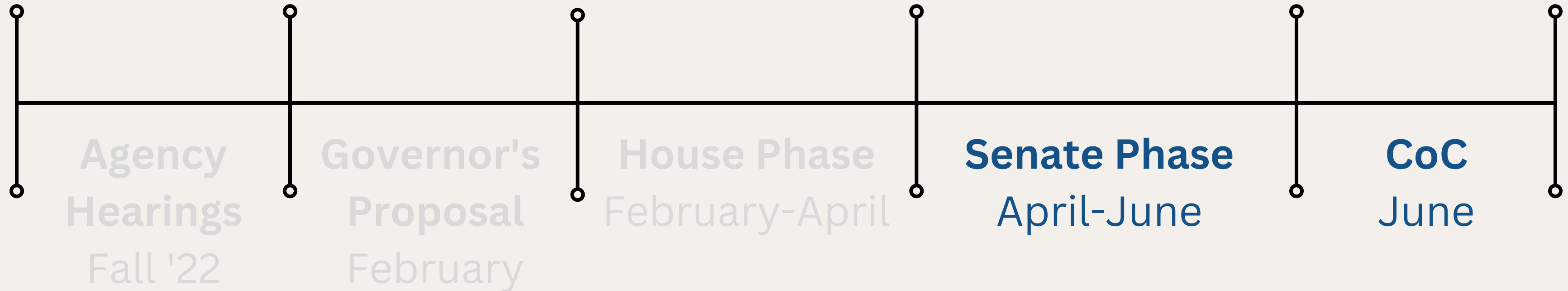
BILLS NOT INCLUDED (YET)

- HB 367: School voucher expansion (~\$48m)
- SB 217: Rural and underserved area educator incentive program (\$3m)
- SB 265: Multi-tiered system of support for children's mental health (\$4m)

WHAT'S NEXT FOR NEW HAMPSHIRE



NEXT STEPS



Senate Sessions:

June 1

June 7 & 8

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, suggesting email or networking. The overall tone is warm and professional.

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