

Bill as Introduced

HB 425-FN-A-LOCAL - AS INTRODUCED

2011 SESSION

11-0804
04/10

HOUSE BILL ***425-FN-A-LOCAL***

AN ACT making an appropriation for the special education catastrophic aid program for the 2011 fiscal year.

SPONSORS: Rep. K. Hutchinson, Rock 3

COMMITTEE: Finance

ANALYSIS

This bill makes an appropriation to the department of education for the special education catastrophic aid program.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT making an appropriation for the special education catastrophic aid program for the 2011 fiscal year.

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

- 1 1 Appropriation; Special Education; Catastrophic Aid. There is hereby appropriated to the
- 2 department of education the sum of \$7,892,809 for the fiscal year ending June 30, 2011 for the
- 3 purpose of funding the catastrophic aid program in accounting unit 06-56-56-5610-6019, class 078.
- 4 The governor is authorized to draw a warrant for said sum out of any money in the treasury not
- 5 otherwise appropriated.
- 6 2 Catastrophic Aid for Fiscal Year Ending June 30, 2011. The commissioner of the department
- 7 of education shall determine the amount to be distributed to school districts which requested
- 8 catastrophic aid for the 2011 fiscal year and shall use the appropriation in section 1 of this act to
- 9 make such distributions.
- 10 3 Effective Date. This act shall take effect June 30, 2011.

LBAO
11-0804
01/07/11

HB 425-FN-A-LOCAL - FISCAL NOTE

AN ACT making an appropriation for the special education catastrophic aid program for the 2011 fiscal year.

FISCAL IMPACT:

The Department of Education states this bill will increase state expenditures and local revenues by \$7,892,809 in FY 2011. There will be no fiscal impact on county and local expenditures or state and county revenues.

This bill appropriates \$7,892,809 from the state general fund in FY 2011 for the purposes of this bill.

METHODOLOGY:

This bill makes an appropriation to the Department of Education for the special education catastrophic aid program. The Department of Education states the proposed legislation will appropriate an additional \$7,892,809 to the Department for the purpose of funding the catastrophic aid program. Accordingly, the Department notes the proposed legislation will increase state expenditures and revenues to local education agencies by the amount of the appropriation.

Committee Minutes

HOUSE FINANCE COMMITTEE

Legislative Office Building, Rooms 210-211

Concord, NH

Monday, February 14, 2011

HOUSE BILL 425-FN-A-LOCAL, AN ACT making an appropriation for the special education catastrophic aid program for the 2011 fiscal year.

TESTIMONY OF:

Rep. Karen Hutchinson. Pg. 1
Santina Thibedeau. Pg. 7

CHAIRMAN WEYLER: All right. Open the hearing -- continuation of the hearing on House Bill 425. Call upon one of the sponsors, Representative Karen Hutchinson. Welcome to Finance, Representative.

KAREN HUTCHINSON, State Representative, Rockingham County, District #3: Mr. Chairman, Members of the Finance Committee, I thank you very much for an opportunity to present House Bill 425. I'm Karen Hutchinson, Representative from Londonderry and Auburn, District 3.

This bill asks you to reinstate the monies that was taken in the eleventh hour of the last session, mid-June, after all the budgets were done and in both the cities and towns, and the towns had voted on their budgets. This is clearly a downshifting where in most cases changes in our budget may not be downshifting. This is because there were \$47 million coming in from the Feds last year in entitlement funds, went to the Department of Education, and then they distributed it to the schools. None of this money could go and can be spent on catastrophic aid because several years ago the State of New Hampshire decided to self-fund their catastrophic aid. So none of this money can be used. If that was rescinded or if that had not occurred several years ago, this -- part of this 47 million

could, in fact, go toward the catastrophic funding.

Now, House -- Special House Session 1 Bill, Number 1, took \$7,892,809 from the budget. And it is all that money has got to be made up in the local taxpayers in our cities and towns, and it's not fair. They have no choice but to spend this money. And we made an attempt to balance the budget on the backs of the poorest and most desperate of our citizens. Children with cerebral palsy and spinal bifida and all of the problems that the School Districts are mandated to streamline with special assistance and of people coming in just to handle a child throughout the school day. It's a tremendous responsibility and expense that our Districts have undertaken and it's mandated. This isn't basket weaving or something that they can cut. They have to spend this money and our taxpayers are going to spend it if we don't. I ask that you consider this.

Now, usually the catastrophic aid is paid to School Districts as of the first of January. They receive one payment each biennium. The payment, however, I understand has been delayed this year for whatever reason. I'd like to think in light of this bill if you were so inclined to pass it, I'm hoping there would be a way to streamline it to get the monies to the Districts as soon as possible. They are scheduled to get the money on the 18th of this month, I believe, although I am not certain of that. But I have passed out a sheet of monies for each town that was done by the Department of Education for me and so that you have an idea as to what the School Districts in your community and your taxpayers are going to have to eat.

CHAIRMAN WEYLER: Thank you, Representative Hutchinson. Any questions from the Committee? Seeing none; thank you for your testimony.

REP. MCGUIRE: Mr. Chairman.

CHAIRMAN WEYLER: Or any information.

REP. BAROODY: We just got this. Can we take a second, Mr. Chairman?

CHAIRMAN WEYLER: You want to look at it. Representative McGuire for a question.

REP. MCGUIRE: Thank you very much, Mr. Chairman, and thank you, Representative. You mentioned that catastrophic aid is mandated.

REP. HUTCHINSON: Yes.

REP. MCGUIRE: Is that entirely federal mandates or is there some state mandates that require us to educate these unfortunate children that are difficult to educate?

REP. HUTCHINSON: It's not clear to me if they're all feds and if we haven't added to that within our own statutes. I'm very pleased and I know the Committee is, too, to have a Department of Education member with us here today that will testify and that's a wonderful question for her.

REP. MCGUIRE: All right. I'll save that question. Thank you very much.

REP. KEANE: Mr. Chair.

CHAIRMAN WEYLER: Representative Keane.

REP. KEANE: When you said local School Districts, this is downshifting to local School Districts, I'm on the School Board in Bow. We have already made our budget for this year. It's been passed by a Budget Committee. It's the same as last year. Is this figure the same figure that we received for catastrophic aid last year? Your Column D.

REP. HUTCHINSON: Whatever your community says it's going to be cut, it's that much less that you're going to get from what you budgeted. That's going to be your

shortfall.

REP. KEANE: Follow-up?

CHAIRMAN WEYLER: Follow-up.

REP. KEANE: Thank you, Mr. Chairman. Just look at Bow. 356,182.83. That's what we received last year and we budgeted that for this year as well. That's not downshifting to me if we don't have a reduction. It may not be the figure that you'd like to have in there, but it's not downshifting because we already have a budget constructed with that same figure we had last year. Is that correct? Would I be correct?

REP. HUTCHINSON: You're not going to be getting all that money.

REP. KEANE: Pardon?

REP. HUTCHINSON: The money that you're not getting is going to have to come from your taxpayers, isn't that so?

REP. KEANE: But it isn't downshifting. I've already accounted for that. That's my question to you. How do you -- how does this get to be downshifting? I don't understand that. We have already -- we have already accounted for that money.

REP. HUTCHINSON: These are mandated programs.

REP. KEANE: Yes.

REP. HUTCHINSON: That the School Districts are required --

REP. KEANE: Yes.

REP. HUTCHINSON: -- to participate -- have their students participate in and the aid associated with our

desperately handicapped children. And when we don't give the towns the money that they expect from us, they have to take it from the tax base and that's local taxpayers. And any time the local taxpayers cost -- have to take on an expense that customarily and was expected to be paid by the State, that's downshifting in my opinion. Now, you and I can differ on that and that's a discussion for out in the hall, I think.

REP. KEANE: Thank you, Mr. Chairman.

REP. HUTCHINSON: But I think it's downshifting and my School District agrees with me.

CHAIRMAN WEYLER: Further questions? Representative Trombly.

REP. TWOMBLY: I notice that the distribution here from the total 100% entitlement and then there's an appropriation, and then there's a percentage line coming down here. What -- what does that percentage line equate to?

REP. HUTCHINSON: I don't know. I didn't do this.

REP. TWOMBLY: Oh, okay.

REP. HUTCHINSON: I did not do this. This came from the Department of Education; and again, that is another question.

REP. TWOMBLY: Okay. It's a percentage.

REP. HUTCHINSON: I was assuming it was a percentage of the whole of the previous year but that's just conjecture on my part.

CHAIRMAN WEYLER: LBA will answer that question.

GERARD MURPHY, Budget Analyst, Office of Legislative

Budget Assistant: Representative, Column D represents each District's share of the total appropriation amount. So whatever -- it's essentially each District's share divided by the whole, the 22.

REP. TWOMBLY: Okay. It's not -- so everybody has been reduced by 69.75.

MR. MURPHY: Everyone -- I believe the 69.75 is actually the percent. It's not 100%. It's at 69.75 is the reimbursement rate, the allocation. So it's been reduced by 31.3%. So they're at 69.75. But each one has been reduced proportionately exactly.

REP. TWOMBLY: I understand. Thank you.

CHAIRMAN WEYLER: Representative Worsman for a question.

REP. WORSMAN: Thank you, Mr. Chairman, and thank you for coming. And I'm not certain who is the person to answer this. If I could have what year did we distribute 100% of entitlement and what year did the appropriation reduction occur?

CHAIRMAN WEYLER: It's probably more -- we have somebody from the Department of Education answer that question and that's probably more appropriate for her, unless Representative Hutchinson wants to answer it. You want to let the Department of Education answer it?

REP. HUTCHINSON: Absolutely.

CHAIRMAN WEYLER: Any further questions for Representative Hutchinson before she goes? Thank you for your testimony, Representative Hutchinson.

REP. HUTCHINSON: Thank you.

CHAIRMAN WEYLER: Now call upon -- I believe it's

Santina Thibedeau from the Department of Education to answer your questions.

SANTINA THIBEDEAU, Administrator IV, Bureau of Special Education, Department of Education: Thank you. Good morning, Chairman, and Representatives.

CHAIRMAN WEYLER: Good morning. Welcome to Finance.

MS. THIBEDEAU: I'm Santina Thibedeau. I'm the Administrator of the Bureau of Special-Ed. and it's through the Bureau of Special Education that we coordinate the CAT Aid process. So I'm here today to talk to you a little bit about what CAT Aid is. It's actually Catastrophic Aid. And the intent is that we have over 30,000 students in our state who have IEPs that's age 3 through 21. The intent of CAT Aid is to assist School Districts for students whose special education costs reach a catastrophic amount. There's a calculation and the calculation is that you need to meet a threshold. The threshold is three and a half times the per pupil cost. Once the student's cost reaches that anywhere up to 100 -- \$100,000, the students -- the School Districts may receive 80% of that. And again, this is a reimbursement cost. The Districts have to pay it out and then the CAT Aid Fund will reimburse them.

There's another mathematical calculation for students whose costs are over \$100,000 -- \$100,000. Okay. So let me just give you some numbers here to put this in perspective. When we're looking at what we're going to call the 80% piece, over the last ten years we are only averaging 1,251 students. Again, this pot of money is for a very, very specific student. For the other piece, the students who are over that 100% cost, we are looking at for the last ten years only 131 students.

Now CAT Aid, Districts can submit an application. It's the Department of Ed's responsibility to review it to make sure that they are allowable costs, and then we make payment out. There was an earlier question. Sometimes when

Districts submit their costs it's above what the State allocation is so we have to prorate it. As you can see from this sheet, this is an estimate, we are looking at prorating it back at 69.75%. The previous year we had to prorate it out as 85%. The year before that was 90%.

CHAIRMAN WEYLER: Any questions for Miss Thibedeau? Representative Worsman.

REP. WORSMAN: Thank you, Mr. Chairman, and thank you very much for coming. So if I may ask you this question. On this chart --

MS. THIBEDEAU: Yes.

REP. WORSMAN: -- in what year did we -- in 2010, what was the appropriation? Is that the 85? And then this year is now 69.75? When did the 69.75 kick in?

MS. THIBEDEAU: Okay. So what this bill is saying is that I believe that the 100% was what the School Districts, that's what we estimated their cost to be. Based on the appropriation, we're only able to reimburse them at a 69%. The intent of this bill is to add 7.8 million back into the overall State Aid Fund, and then we'll be able to adjust their percentage of reimbursement.

REP. WORSMAN: Follow-up?

CHAIRMAN WEYLER: Follow-up.

REP. WORSMAN: If you could specifically answer to me what was the aid -- maybe then what was the entire dollar amount for aid for 2010? Is it exactly the same for 2011 or is that amount -- has that amount progressively been reduced every year and this year it is scheduled to be reduced further?

MS. THIBEDEAU: Okay. Yes. Every year the amount of CAT Aid has been going down and that has been occurring since

probably the last six years. The amount of CAT Aid has been slowly -- I'm sorry -- the last three years the amount of CAT Aid has been slowly being dwindled down. I don't know in this budget what the amount is going to be.

REP. WORSMAN: Thank you.

CHAIRMAN WEYLER: Representative Vaillancourt.

REP. VAILLANCOURT: Thank you, Mr. Chairman. If I add the 7.892 million to the 22.630 in Column C, I only get thirty-million five twenty-two, whereas Column B is thirty-two million four forty-three. What happened to the other two million? They don't add up.

MS. THIBEDEAU: Right. I'm not sure where this amount came up for this bill.

CHAIRMAN WEYLER: Follow-up.

REP. VAILLANCOURT: I'm certainly not.

CHAIRMAN WEYLER: Mr. Murphy, do you know?

MR. MURPHY: This was a decision made during the Special Session House Bill.

CHAIRMAN WEYLER: He's saying the figures -- the figures don't add up.

MR. MURPHY: They wouldn't necessarily. The amount in column -- that amount, that seven eight nine two, that was the amount the appropriation -- Fiscal '11 appropriation was reduced by during the last Special Session House Bill 1. It wouldn't necessarily -- adding that to the 22 wouldn't necessarily tie into the entitlement which is as the witness testified to was what they estimate the School Districts to need.

REP. HUTCHINSON: If I could just interject, Mr.

Chairman?

CHAIRMAN WEYLER: Representative Hutchinson.

REP. HUTCHINSON: The numbers in this paperwork came from Michael Kane who's a Senior Budget Officer at the New Hampshire Office of Legislative Budget Assistant. And he is the one who has created this -- this numbered chart for me. So it may not be identical to the numbers the Department of Education has.

CHAIRMAN WEYLER: The point the statewide columns, you have a 32 and 22 and then 78 -- 7.8. You added 7.8 to 22, wouldn't come to 32.

MR. MURPHY: It only gets you to about 94% of what they're estimating the Districts to need for the program. So even by returning that reduction back into the budget you'd still be short from what the estimate is for the Districts to need.

CHAIRMAN WEYLER: Thank you. Follow-up, Representative Vaillancourt?

REP. VAILLANCOURT: No. 94% -- apparently we never funded the 100%. We have only been funding at 94%.

MR. MURPHY: I think when the appropriation was set originally that was the first estimate as to what the Districts would need. And then as time wore on, more information was known and a better estimate was used.

REP. VAILLANCOURT: That's good. Thank you.

CHAIRMAN WEYLER: Representative Twombly for a question.

REP. TWOMBLY: Is this 32 million that I see as 100% entitlement something that has been turned in by the school boards of the towns and cities or is this somebody's

estimate?

MS. THIBEDEAU: This is an estimate. We haven't done our final review of all the CAT Aid applications.

REP. TWOMBLY: Okay.

REP. OBER: Isn't it -- she didn't answer that.

REP. TWOMBLY: No. She said it's an estimate.

MS. THIBEDEAU: Estimate.

REP. OBER: Of something turned in by the School District as the Representative asked?

MS. THIBEDEAU: What we believe is -- we have a system that will take out the costs and then what happens is we do a review to ensure that we're only able to pay for costs that are identified in an IEP. So if we have an invoice that says the student received a service five days a week, and the IEP says that service is one day a week, we'll disallow it. So this amount is prior to us doing our review.

CHAIRMAN WEYLER: That answer your question? Follow-up, Representative Twombly.

REP. TWOMBLY: I'd like to follow-up then. The cost of the Special Catastrophic Aid which is over and above the regular -- I assume, this is above the regular special education cost, is thirty-two thousand -- \$32 million. And from my understanding of what you said about the students is 1382 students receiving \$32 million worth of services?

MS. THIBEDEAU: Yes. So --

REP. TWOMBLY: On an annual basis?

MS. THIBEDEAU: It could change year to year. Some

students age out of the system. Maybe a new student will come into the system.

REP. TWOMBLY: Thank you very much.

CHAIRMAN WEYLER: Representative McGuire for a question.

REP. MCGUIRE: Thank you, Mr. Chairman. I have two questions, if I might. So just to make it clear, the 131 students who are receiving \$100,000 or more a year, the State would pay 100% of that by the allocation; is that right?

MS. THIBEDEAU: What we would do is we would take the per pupil cost, times it by ten, and anything above that threshold we would automatically pay without doing a percentage. So I believe anything above for the previous year of 09/010, anything above \$121,443.

CHAIRMAN WEYLER: Let's go over the formula for the Committee. You start with the average cost per pupil.

MS. THIBEDEAU: Yes.

CHAIRMAN WEYLER: Let's assume for simplification it's \$10,000. Multiply that times three and a half. That's 35,000. Every District is on the hook for three and a half times. That's what they have for every student they code for special-ed. Now we go above that 35,000. Everything above that, the law says the State pays 80% until you get to ten times the average cost per student. And then above the ten times the State takes over. So in this instance, the school is on the hook for the 35,000, plus the 20% of the 65,000 above that, which leaves 13,000. So the State pays or the District pays the first 45,000. When it goes above 100,000 in this example -- every year it changes -- so when it goes above 100,000 the District's on the hook for the first 45,000. Everything above 100,000 is supposedly CAT Aid. However, we have taken a percentage

because Miss Thibedeau will tell you she has no control over these programs. All she can do is review the IEP. Parents come in and they argue for the most expensive program and they are allowed a vote. They have no idea what the different programs mean. Just I want the most expensive one for my kid because I'm not paying for it. And so some of them get very expensive. So in this instance above 100,000 they're expecting the State to pay everything above that, but the District has already paid the first 45,000. It's actually a little more because I think the average cost per pupil is now above 10,000. Maybe closer to 11.

MS. THIBEDEAU: Yep, 12.

CHAIRMAN WEYLER: For simplification, that's the formula we look at with CAT Aid. I got some more people to go after. I'll put you on the list. Is that --

REP. MCGUIRE: Thank you, Mr. Chairman. Very clear. Very clear.

CHAIRMAN WEYLER: All right. Representative Elliott for a question.

REP. ELLIOTT: Thank you, Mr. Chairman. Miss Thibedeau, thank you for being here. Would you go to Page 4 on your chart to Row 103 and help me with my homework to my superintendent of schools when I get home. Which figure do I give them? Salem is going to get one million eight or they're going to get the one million two and the estimated difference is 400 -- half a million roughly.

MS. THIBEDEAU: Right.

REP. ELLIOTT: For a 5.58% cut. So they're going to get one million two sixty-two estimated; is that correct?

MS. THIBEDEAU: That is correct; but I'd like to add one more thing that you can talk to your superintendent about, is that we know what the estimated cost was 1.8. The

1.2 is basically adding that we prorated it as we did all Districts. However, if of that 1.2 million the services are not in the child's IEP, we cannot consider that for CAT Aid. So everything has to be in IEP in order for us to verify yes, we will consider that for CAT Aid.

REP. ELLIOTT: IUT?

MS. THIBEDEAU: IEP.

CHAIRMAN WEYLER: Individual Education Program.

REP. ELLIOTT: Thank you, Mr. Chairman.

CHAIRMAN WEYLER: Representative Barody for a question.

REP. BARODY: Thank you, Mr. Chairman. Thank you for trying to help us clear this up. We have about 30,000 students in all that have been coded.

MS. THIBEDEAU: Yes.

REP. BARODY: Out of that we have the 1382 in the CAT Aid. The 1251. So twenty-eight sixteen six eighteen are getting up to 45,000?

MS. THIBEDEAU: Hum -- that's --

CHAIRMAN WEYLER: No, no. The District pays the first forty-five.

REP. BARODY: District pays that. Then we take over under this the rest of the 1382 students.

MS. THIBEDEAU: Actually, your Districts have to pay all the costs. So for 09-010 they have paid all the costs. Then they submit their paid invoices to the Department of Ed. We review them and then we make payment actually a whole semester after they have already made all their

payments.

CHAIRMAN WEYLER: The figures that she gave -- you're saying 1382 students.

REP. BARODY: That's the two different categories.

CHAIRMAN WEYLER: But the 1382 are coded, but only 1,251 plus 131 are actually in the Catastrophic Aid Program.

MS. THIBEDEAU: Yes, that's an average.

CHAIRMAN WEYLER: So the highest students, the 131 that's roughly 1.3 -- one million three hundred ten thousand for those 131 students plus. That's the baseline, plus more. So they're a million and a half, \$2 million of this total CAT Aid. Then of the rest they would have paid something around 52%, but because they're only paying two-thirds of 52% it's more like 34% that's being paid above the 45,000. Those that are below 45,000, the District pays the whole amount which is the vast majority of these.

REP. BARODY: Right.

CHAIRMAN WEYLER: So the majority of special-ed. students are being paid for in-District; 1,251 plus 131 are being paid for in this program.

MS. THIBEDEAU: Hm-hum.

CHAIRMAN WEYLER: Let's see who's next. Representative Smith.

REP. SMITH: Thank you, Mr. Chairman. The \$32.4 million is the estimate for Fiscal Year 2011. Do you know what the actual was for Fiscal Year 2010 in statewide?

MS. THIBEDEAU: The amount of CAT Aid was 29,875,337.

REP. SMITH: Follow-up?

CHAIRMAN WEYLER: Follow-up.

REP. SMITH: Was that number was the entitlement or the amount paid?

MS. THIBEDEAU: That's the amount paid.

REP. SMITH: So the entitlement, since I believe you said last year the Fiscal Year '10 is 85% payment, would I divide by .85 and that would give me the number of the -- that would be equivalent to this \$32.4 million?

MS. THIBEDEAU: The only piece I would add to that is that the entitlement for that same year was 35 million -- I'm estimating -- and the appropriation was 28.8. So based on those two numbers, we prorate at 85%.

REP. SMITH: Thank you. One follow-up?

CHAIRMAN WEYLER: Follow-up.

REP. SMITH: With respect to Representative Elliott's question on 5.8% of the -- 5.58% of the total distribution, was that -- is that the entitle -- would the entitlement also be 5.58% of the total entitlements? In other words, on Line 103.

MS. THIBEDEAU: Okay.

REP. SMITH: If I understand properly, the entitlement 1.8 should be -- 1.8 million should be 5.58% of the 32.4 million; is that correct?

MS. THIBEDEAU: Yes, if I'm understanding what you're asking me.

REP. SMITH: So the distribution is going according to their request.

MS. THIBEDEAU: No.

CHAIRMAN WEYLER: Prorated.

MS. THIBEDEAU: That's what their -- if we go back to Line 103, when we looked into the system prior to doing our fiscal review they had costs that could qualify for CAT Aid of 1.8. Then based on that we had to do a prorating, they came down to 1.2.

REP. SMITH: Thank you. One last follow-up?

CHAIRMAN WEYLER: Surely.

REP. SMITH: So that if the City of Salem were to be very concerned with this amount, one of their options would be to look more carefully at their students as to whether those needs from their perspective are required given that they have a percentage of -- their relative percentage in that town is significantly higher than I think any other number. That 5.58 is a very high number; is that correct?

MS. THIBEDEAU: Yes. There is a -- there is another portion within this RSA for CAT Aid that sets aside \$1 million for School Districts to develop in-District programs. So they could consider that piece. There's also a House Bill now, House Bill 318, that is talking about reducing three and a half times to two.

REP. SMITH: Thank you.

CHAIRMAN WEYLER: Representative Keane for a question.

REP. KEANE: Thank you, Mr. Chairman. Thank you for coming today. Two questions, if I may? The first one is we have noticed a slowdown in the payments to School Districts. And I think, in part, because you're checking and rechecking to make sure that valid bills have been submitted to you.

MS. THIBEDEAU: Hm-hum.

REP. KEANE: Are these figures last year's figures based on the fact that some of those payments were made in the next Fiscal Year? Was there a lapse? In other words, I'm trying -- I'm trying to get my head around for all of the charges for last year that you've included in the cost for 2010, even though they were paid after the determination was made after the Fiscal Year ended.

MS. THIBEDEAU: Okay.

REP. KEANE: Were those costs all contained in that estimate you just gave us for 2000 -- or that fact, that number you gave us for 2010?

MS. THIBEDEAU: I'm going to answer how I -- what I think you're asking me. Within this estimate, if we were to look at going back to Line 103, the District did incur those costs, that 1.8 million, and they did pay them. However, if we disallow a cost, it's then the responsibility of the School District, they already had paid it. We would just not consider it for CAT Aid.

REP. KEANE: Right. And all those when you look at this, you look at one Fiscal Year even if the payments were made three months into the next Fiscal Year.

MS. THIBEDEAU: Yes.

REP. KEANE: Okay. That was the question. Follow-up?

MS. THIBEDEAU: We look at the time period of July 1st, 2009, until June 30th, 2009. '10, sorry.

CHAIRMAN WEYLER: Miss Thibedeau, do we still have it the legislation that if the District has to borrow the money that we pay them the interest when we make the payment? Do you still have that?

MS. THIBEDEAU: Yes, we still do.

CHAIRMAN WEYLER: If the District says we have to borrow the money to make this payment, when we make the payment we also allow for some interest.

REP. KEANE: Follow-up?

CHAIRMAN WEYLER: Of course. Follow-up.

REP. KEANE: Thank you. Are you -- the Chairman said a few minutes ago that you have no discretion over these funds. But it's my understanding that the New Hampshire School Board Association for the past several years has asked the Department to return to the Federal minimum standards --

MS. THIBEDEAU: Hm-hum.

REP. KEANE: -- for determining what is in Catastrophic Aid and the Department has not done that; is that correct?

MS. THIBEDEAU: I would like to just clarify your question.

REP. KEANE: Sure.

MS. THIBEDEAU: What the School Board has been saying for a number of years is that our administrative rule for children with disabilities --

REP. KEANE: Yes.

MS. THIBEDEAU: -- is in excess of what IDEA states and IDEA is our Federal guideline.

REP. KEANE: Right.

MS. THIBEDEAU: And in order for the State to go -- to

eliminate all of our in excess of IDEA, we would have to go back through the rulemaking process through our State Board and we would have to change several of our RSAs.

REP. KEANE: Follow-up, Mr. Chairman?

CHAIRMAN WEYLER: Follow-up.

REP. KEANE: Would it be possible to get a copy of those RSAs that needed to be changed? Not now, if you could submit that to us?

MS. THIBEDEAU: Hm-hum.

REP. KEANE: Thank you.

CHAIRMAN WEYLER: Representative Twombly for a question.

REP. TWOMBLY: I am getting all tied up with numbers and I just realized that I'm not on a School Board or anything else. And I don't know what kind of services are being paid for. I'd like to know what the services are that we're paying all this money for?

MS. THIBEDEAU: Okay.

REP. TWOMBLY: Could we have something like that provided?

MS. THIBEDEAU: I can just tell you a general piece at this point.

REP. TWOMBLY: Okay.

MS. THIBEDEAU: Maybe you have a child who is intellectually disabled. So cognitively they're at a low level. They have tremendous medical -- they need tremendous medical care. So the School District through the IEP team places them in a residential school. There's the

cost of the room and board. There is the cost of their schooling. There is the cost for all of their services, related services, their speech and language, their occupational therapy, their physical therapy. When you add all that up that child would more than likely qualify for catastrophic aid.

CHAIRMAN WEYLER: Is it true that even if the child were 50 miles away, wanted to visit on the weekends, we would pay for transportation to go pick the child up, bring him back, bring him back at the end of the weekend, even though the parents could have driven the 50 miles and were paid \$200 for each trip?

MS. THIBEDEAU: If it's in the IEP, then the District has to pay.

CHAIRMAN WEYLER: Anything further, Representative Twombly? Do you have a follow-up?

REP. TWOMBLY: I guess I don't have a follow-up. I'm just -- I'm afraid I don't want to make anymore comments.

CHAIRMAN WEYLER: Representative Barry for a question.

REP. BARRY: Thank you, Mr. Chairman. Mine's a pretty simple question. Column C on this page that we have, is that what the local School Districts are expecting to get for this coming year?

MS. THIBEDEAU: That's the estimation that they moved forward when they were making their budgets.

REP. BARRY: Thank you.

CHAIRMAN WEYLER: Representative Vaillancourt for a question.

REP. VAILLANCOURT: Thank you, Mr. Chairman. For the purpose of this discussion, I guess philosophically the

question isn't about how much we're spending per student or any of that; but whether, in fact, we are downshifting. It appears to me this is definitely a downshifting that was done a year ago. I don't know if the question is for this witness or for somebody that was on the Committee a year ago, but how did we decide upon the 7.892 million that we couldn't afford? I mean, that's a strange number, 7.892 million. Does anybody maybe you know why we came up with that number?

MS. THIBEDEAU: I wasn't involved in the budgetary process.

CHAIRMAN WEYLER: Let's see who was here. Representative Elliott?

REP. ELLIOTT: Don't ask me.

CHAIRMAN WEYLER: Representative Sova, are you volunteering that information?

REP. SOVA: No, I'm not. I just have a question.

CHAIRMAN WEYLER: All right.

REP. FOOSE: Mr. Chairman.

CHAIRMAN WEYLER: Representative Foose was in on it.

REP. FOOSE: My memory of the number was that it started lower than the 69%. And as the budget finally came together in the wee hours of the morning, the effort was made to get it higher and 69% was as close a number we could come to, all in the final moments of bringing a budget to balance. It was a core value to get that number above what had gone into the early discussions of the final -- final determination of the budget.

REP. VAILLANCOURT: If I may? Just follow-up.

CHAIRMAN WEYLER: You have a follow-up. Go ahead.

REP. VAILLANCOURT: Yes. So we agreed upon this complicated formula that spits out whatever number at the end is spit out. And rather than change the formula to reduce the number, we just say, well, we can't honor the formula, so we are only going to fund it at 70% of that formula; is that correct?

MS. THIBEDEAU: It is correct in that the formula has always remained consistent. But based on whatever the State appropriation is, including this year, in the last three years we have not been able to reimburse Districts at 100%.

CHAIRMAN WEYLER: So I think the suggestion was made we ought to look at the IDEA which enables this legislation which we have gone beyond in our aid. If we looked at the IDEA, we might find we have -- if we went to that level, we might be distributing even less than 22 million in the future. Is that likely?

MS. THIBEDEAU: The thought is that where we're in excess of IDEA based on our rules, that Districts may be incurring some additional costs, not necessarily CAT Aid, but there is a provision within IDEA where you can have a high-risk pool where you can use some of those resources --

CHAIRMAN WEYLER: Right.

MS. THIBEDEAU: -- in order to assist Districts with their high costs.

CHAIRMAN WEYLER: The argument has always been that even though IDEA places a significant burden on all school systems that funding from the Federal government, which causes this, is very short of even at 32 million or the 22 million that we're spending here. Do you know exactly what it is? How much comes in Federal funds?

MS. THIBEDEAU: Hm-hum. For last year we had

\$47 million worth of entitlement funds different than this entitlement. You could think of them as flow-through funds so the Bureau of Special-Ed. receives \$47 million. We take out a portion to run the Bureau. The rest of the money flows through to the School Districts. School Districts also received a total of \$47 million in ARRA funds or the recovery act funds.

CHAIRMAN WEYLER: Which we wouldn't get in a typical year.

MS. THIBEDEAU: No.

CHAIRMAN WEYLER: The 47 million, how was that distributed? It didn't go out as CAT Aid.

MS. THIBEDEAU: No. That goes out to the School Districts as entitlement grants so they have to submit an application to us telling us how they're using the monies. We have to ensure that it's for allowable activities. On the Bureau of Special-Ed. Website you can look for the last years what School Districts received.

CHAIRMAN WEYLER: So if a school decided we have a number of children that are costing us 30 or 40,000, we are going to put them in one class where we save money and only cost us 25 or 30,000 apiece, they could get some of this money to pay for that which they would not otherwise get CAT Aid for; is that true?

MS. THIBEDEAU: If a School District had those same students were out of district --

CHAIRMAN WEYLER: Yeah.

MS. THIBEDEAU: -- they could bring those children back, create a program and in the \$1 million set aside in CAT Aid they could seek some reimbursement for that program.

CHAIRMAN WEYLER: What about the 47 million you pass through?

MS. THIBEDEAU: That 47 million goes to School Districts for staffing, to hire their teachers, to have to train their teachers, to purchase things they might need to run their special-ed. departments.

CHAIRMAN WEYLER: But nevertheless --

REP. FOOSE: Totally separate from Catastrophic Aid.

CHAIRMAN WEYLER: Nevertheless, it helps pay for special-ed. costs.

MS. THIBEDEAU: Yes, it does.

CHAIRMAN WEYLER: As I said, was the first three and a half times. The School District is responsible for the three and a half times, plus the other thing we haven't brought up is how much Medicaid money, Katie something or other.

MS. THIBEDEAU: Yes.

REP. KEANE: Beckett.

CHAIRMAN WEYLER: Katie Beckett monies that go as well. When you speak to your School Districts about the special-ed. money, make sure they identify all the sources, not just the CAT Aid. Ask them about the Katie Beckett money, the Medicaid money, and what did you call this, the IDEA, the 47 million, what share of that they got, before they start screaming at us to give them more money when they're never honest with telling us all the accounting that they have gotten. Anyway, that's my own comment. Representative Sova for a question.

REP. SOVA: I think I want to discuss -- thank you, Mr. Chairman. I think I want to discuss semantics because I'm

having a hard time understanding. The appropriation that you got had to be about 22,630,000.

MS. THIBEDEAU: Correct.

REP. SOVA: If the entitlement applications were only 22,630,000, you would be paying 100%.

MS. THIBEDEAU: Correct.

REP. SOVA: So the appropriation was not reduced. It was prorated based on your experience, and it would have been down to 35% if you had gotten \$64 million worth of requests.

MS. THIBEDEAU: Correct.

REP. SOVA: Okay. I just wanted to understand that. Thank you.

CHAIRMAN WEYLER: Representative Keane for a question.

REP. KEANE: Thank you, Mr. Chairman, and for others, for other Representatives. Would it be accurate to say that most of the population of special-ed. receives services at the school which they attend?

MS. THIBEDEAU: Hm-hum, hm-hum.

REP. KEANE: By far the majority.

MS. THIBEDEAU: Yes. For the last three years we have a percentage, 97% of our students in the state are being educated in their public school. We only have about 3.2 for the last three years who are being educated in programs outside of their districts.

REP. KEANE: And follow-up?

CHAIRMAN WEYLER: Follow-up.

REP. KEANE: Thank you, Mr. Chairman. Would it be fair to say then that those students who reach the catastrophic aid level are out-of-district placements and have some significant physical disabilities as well that need speech therapy, occupational therapy, voc rehab, and so on?

MS. THIBEDEAU: I would like to add to that.

REP. KEANE: Yes.

MS. THIBEDEAU: We do reimburse for in-District costs. So if the student has a severely -- if a district has a severely impaired student, they're able to educate them in district. Those costs could be considered for CAT Aid. You also have to think for students who have mental health issues, who cannot be educated in the public schools, they may go to an out-of-district placement.

REP. KEANE: And it's those -- and in the case of -- I would bet it would almost be universal in the case of those students who exceed CAT Aid by 100% or I mean the \$100,000, those students would be placed in facilities like Crotchet Mountain, for instance.

MS. THIBEDEAU: Correct.

REP. KEANE: At a tremendous daily cost.

MS. THIBEDEAU: Yes.

REP. KEANE: So those are the students we are talking about. Thank you.

CHAIRMAN WEYLER: All right. Representative Barry for a question.

REP. BARRY: Thank you, Mr. Chairman. You could help me with a fairly large question. You said that the 47 million from the Federal funds went to the schools, not to be used

for CAT Aid because New Hampshire self-funds CAT Aid.

MS. THIBEDEAU: Correct.

REP. BARRY: This is the question that Representative Kurk probably would ask. What would happen if we no longer self-funded CAT Aid? How much more would we get from the Feds?

MS. THIBEDEAU: The amount from the Feds would not change, but what we do in our state would change. So right now we have what we call a pool of discretionary funds. And it's up to the Bureau to decide how those discretionary funds are used. So right now we have for kids who are in foster care, we supply them with surrogate parents for the special-ed. process. We have some other programs. We would have to make the decision not to fund those programs and take that money and put it into a fund for students who have high costs or catastrophic costs.

REP. BARRY: Thank you.

CHAIRMAN WEYLER: Representative Ober for a question.

REP. OBER: Thank you for coming this morning. I know you said you would get the rules and the RSAs that we need to be changed returned to the IDEA basics. I just wondered if you would be able to do that by next week or if you could give us a date when we could expect that? We tend to be a little impatient.

MS. THIBEDEAU: Oh, yes. Yes. I'm sorry. At first I thought you asked me if I could get that all done by next week.

REP. OBER: No, just a list of the RSAs and the rules --

MS. THIBEDEAU: Yes.

REP. OBER: -- that Representative Keane asked about, but he didn't ask when they might come.

MS. THIBEDEAU: Okay.

CHAIRMAN WEYLER: Also the IDEA standard.

MS. THIBEDEAU: Okay.

REP. OBER: We don't want to nag you until we have given you a fair chance to do it.

MS. THIBEDEAU: What I tell you is that we do this in a memo form so it's up on our Website for everyone. I'm in the process getting that memo through. Once that memo is approved to go out I can get you that.

REP. OBER: How soon?

MS. THIBEDEAU: Probably a matter of just five, six, seven days.

REP. OBER: That would be good. Because we have a deadline for hearing all our bills. That would fit within it. Thank you.

MS. THIBEDEAU: Then the second piece that you would like is some information about if it was through IDEA for this process?

CHAIRMAN WEYLER: What the IDEA minimums call for. In order to get that 47 million, we have to comply with certain standards --

MS. THIBEDEAU: Yes.

CHAIRMAN WEYLER: -- of IDEA. You have stated we have gone above that and rules have gone further. If we went back to changing the law and the rules to the IDEA minimums, I'm curious as to what that would be.

MS. THIBEDEAU: What I can tell you is you can take the memo.

CHAIRMAN WEYLER: Okay.

MS. THIBEDEAU: If you were to remove everything from our RSAs and our administrative rules based on that memo, you'd be in compliance with IDEA.

CHAIRMAN WEYLER: We would be in compliance if we removed everything that was in the memo.

MS. THIBEDEAU: Yes.

CHAIRMAN WEYLER: But we wouldn't know what the distribution would be. If we wanted to go forward to the schools and say here's how much you're going to get. It's already being distributed, the 47 million is being distributed under IDEA.

MS. THIBEDEAU: Yes:

CHAIRMAN WEYLER: Everything above that, all the CAT Aid Program, is a total construction of the State of New Hampshire.

MS. THIBEDEAU: Yes.

CHAIRMAN WEYLER: Thank you very much. That makes it very clear. Further questions? Representative McGuire.

REP. MCGUIRE: Thank you, Mr. Chairman. Can I direct you to Page 3 of the spreadsheet, please. On Line 69 we have the City of Manchester which is spending 767,000 annually on Catastrophic Aid. Line 74 we have the Town of Merrimack which is spending 1,697,000 on Catastrophic Aid. So not specifically to pick on Merrimack, but my understanding is that the population of Merrimack is roughly a third of the population of the City of

Manchester. And yet, they're spending over twice as much on Catastrophic Aid. Is that credible or are they perhaps creating their IEP's in an excessive way? Is there any control that the State has over how those IEPs are created so that it's uniform among the various towns?

MS. THIBEDEAU: Right. The IEP process is a district level which includes the parents. So no, the State couldn't come in and say no, you can't put that child there or you can't do this. Although within our state we approve all of our programs to ensure the quality of it, of the programs. The difference may be that Merrimack may have five or six very high-cost students who live in their town who are entitled to a free and appropriate education where Manchester may not have those same students.

REP. FOOSE: Very person specific.

CHAIRMAN WEYLER: Further question, Representative McGuire?

REP. MCGUIRE: No, thank you.

CHAIRMAN WEYLER: Representative Vaillancourt.

REP. VAILLANCOURT: Thank you. That gets to the point I was going to bring out. The smallest town in the state could have the greatest expense because they have a couple students.

MS. THIBEDEAU: Hm-hum.

REP. VAILLANCOURT: Can you tell us what is the maximum number we're paying or District is paying for a single student in the state?

MS. THIBEDEAU: That I don't know off hand.

REP. VAILLANCOURT: Ballpark? No?

MS. THIBEDEAU: Up -- anywhere between 200,000 and maybe 250,000.

REP. VAILLANCOURT: Thank you.

CHAIRMAN WEYLER: Further questions for Miss Thibedeau? Representative Keane.

REP. KEANE: One more. You said it's up to the local School Districts to make that determination. That's been said several times here. Isn't it true if a parent receives a determination by the School Board that doesn't allow them to have the full range of services that they think they deserve they can appeal that to the State?

MS. THIBEDEAU: Well, a School Board would not get involved within the IEP process.

REP. KEANE: Right, not the School Board. Let me rephrase it.

CHAIRMAN WEYLER: They could sue the School Board. Many of them have.

REP. KEANE: Right. But I just want to make sure the process is clear. So we make a determination at a school that we think this particular parents' request for services under the IEP is inappropriate.

MS. THIBEDEAU: Okay. Yes.

REP. KEANE: The parent then has the right to appeal that to the State for the State to make that determination.

MS. THIBEDEAU: And when you say the State --

REP. KEANE: You.

MS. THIBEDEAU: Right. No, the parent has a right to request a due process hearing.

REP. KEANE: Right.

MS. THIBEDEAU: Where they'll go before a hearing officer and the parent will have their particulars and the School District will have their particulars that attorneys will go through it, and then the hearing officer will make a decision.

REP. KEANE: Right.

CHAIRMAN WEYLER: Representative Smith.

REP. SMITH: Thank you, Mr. Chairman. One question about the total estimate of entitlement of 32.4 million. Of that, what portion is for those people covered in the -- of the 1251 students, that is, less than \$100,000 and what portion is for the 131 students? Do you know? Do you have a breakdown of the number of 32 million?

MS. THIBEDEAU: I don't for the estimate. When we actually make the final payment, then we'll break it down.

REP. SMITH: Follow-up?

CHAIRMAN WEYLER: Follow-up.

REP. SMITH: Do you have that, the number, for example, from Fiscal Year '10?

MS. THIBEDEAU: Yes. So I'll tell the story here. For the students who have that 80%, we had 1,296 students. I can even break it down and tell you that -- let me read this right. For the 100% piece there was 142 students. Those two costs combined together equal 35 million. The CAT Aid appropriation was for 29.8 million. We had to reimburse School Districts at an 85% reimbursement rate.

REP. SMITH: Follow-up?

CHAIRMAN WEYLER: Follow-up.

REP. SMITH: I was looking for the dollars that were associated with those two student groups. The 1296 in the 80% category, how many dollars from 35 point something million were dedicated to the students in that category?

MS. THIBEDEAU: I don't have that information broken down.

REP. SMITH: Would it be possible for you to obtain either that or the estimate for Fiscal Year '11 so we get a feeling for the distribution between the two categories?

MS. THIBEDEAU: Yes.

REP. SMITH: Thank you. Thank you, Mr. Chair.

CHAIRMAN WEYLER: Further questions from the Committee? Representative Twombly.

REP. TWOMBLY: This may be inappropriate, I don't know, but after these folks graduate at the age of 21 or so, how many -- how many of them are self-sufficient? Do they go on to higher education or could they move to another state program to be cared for?

MS. THIBEDEAU: Right. Depends on what their disability is. Many students who have a learning disability may go on to a postsecondary school.

REP. TWOMBLY: Okay.

MS. THIBEDEAU: There is -- because within our colleges if they receive Federal funds they have to have a disabilities coordinator. Some students may go to work. So the students may leave the special-education system and go into the area agency system, which is another Federally funded system.

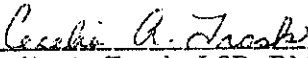
REP. TWOMBLY: Okay.

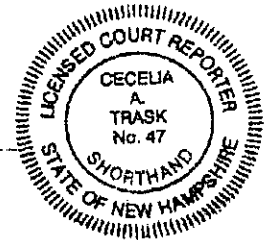
CHAIRMAN WEYLER: Many of them will end up on the waiting list which you will hear from further on in another bill. So any questions? Anymore of Miss Thibedeau? Okay. I hope we all know a lot more about this program than we started out at. Thank you very much, Miss Thibedeau. We'll close the hearing.

(Concluded at 12:10 p.m.)

CERTIFICATION

I, Cecelia A. Trask, a Licensed Court Reporter-Shorthand, do hereby certify that the foregoing transcript is a true and accurate transcript from my shorthand notes taken on said date to the best of my ability, skill, knowledge and judgment.


Cecelia A. Trask, LSR, RMR, CRR
State of New Hampshire
License No. 47



HOUSE COMMITTEE ON FINANCE

DIVISION II WORK SESSION ON

HB 425-FN-A-L

BILL TITLE: making an appropriation for the special education catastrophic aid program for the 2011 fiscal year.

DATE: February 24, 2011

LOB ROOM: 210-211 **Time Work Session Called to Order:** 1:00

Time Adjourned: 1:45

(please circle if present)

Committee Members: Reps. Wm. Smith, Elliott, Allen, Foose, Lerandean, McGuire, Sova and Umberger.

Rep. Sandra Keans replaced Rep. Randy Foose, for the day.

Bill Sponsors: Rep. K. Hutchinson, Rock 3

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Rep. Karen Umberger – Was of the opinion that there was no money to up funds.

Rep. Sandra Keans questioned if there was any money somewhere in the budget to increase.

Respectfully submitted,

Rep. Mary Allen
Clerk, Division II

Motions: OTP, OTP/A, (ITL) Retained (Please circle one.)

Moved by Rep. Dan McGuire

Seconded by Rep. Karen Umberger

Vote: 7-0 (Please attach record of roll call vote.)

HOUSE COMMITTEE ON FINANCE

DIVISION II WORK SESSION ON HB 425-FN-A-L

BILL TITLE: making an appropriation for the special education catastrophic aid program for the 2011 fiscal year.

DATE: Feb - 24, 2011

LOB ROOM: 210-211

Time Work Session Called to Order: 1:00 pm

Time Adjourned:

(please circle if present)

Committee Members: (Reps. Wm. Smith, Elliott, Allen, Foose, Lerandean, McGuire, Sova and Umberger.)
Handwritten notes: 'absent' above Foose, 'absent' above Sova, 'Lerandean' and 'Beans' below Foose.

Bill Sponsors: Rep. K. Hutchinson, Rock 3

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep. Mc Sherris

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

Div-II ^{or}
HB 425

Umberg - was of the opinion that there was no money to up funds.

Kean questioned if there was any money somewhere in budget to increase.

Rep ^{Mc Guire} I. F. L. ^{second} Umber

E-y y.
Unanim - 7-0-

Elliott - yes
Lerandean yes
Mc Guire yes
Umberg yes
Kean yes
Smith yes
Allen yes

Uni - 7-0

FINANCE - DIVISION II

Bill #: HB425 Title: making an appropriation for the special education catastrophic aid program for the 2011 fiscal year.

PH Date: 02 / 14 / 11 Exec Session Date: 3 / 01 / 11

Motion: ITL Amendment #: _____

MEMBER	YEAS	NAYS
Smith, William B, Chairman	✓	
Elliott, Robert J, V Chairman	✓	
Allen, Mary M, Clerk	✓	
Foose, Robert A <u>Sandra Kears</u>	✓	
Lerandean, Alfred C	✓	
McGuire, Dan	✓	
Sova, Charles E	ABSENT	
Umberger, Karen C	✓	
TOTAL VOTE:	7	0

Speakers

Hearing Minutes

HOUSE COMMITTEE ON FINANCE

PUBLIC HEARING ON HB 425-FN-A-L

BILL TITLE: making an appropriation for the special education catastrophic aid program for the 2011 fiscal year.

DATE: February 14, 2011

LOB ROOM: 210-211 Time Public Hearing Called to Order: 11:05

Time Adjourned:

(please circle if present)

Committee Members: Reps. Weyler, L. Ober, Kurk, Emerton, Rodeschin, Belvin, Elliott, Vallancourt, Allen, Marshall, Quandt, R. Barry, Cehrowski, Wm. Smith, Sova, Umberger, Keane, Simard, Twombly, Worsman, Foose, Nordgren, Baroody, Benn, Lerandean and Rosenwald.

Bill Sponsors: Rep. K. Hutchinson, Rock 3

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Rep. Karen Hutchinson introduced the bill and spoke in support. Special Session House Bill 1 took 7 million from ARRA funding for special education and the result is downshifting of costs to towns for catastrophic aid \$7,892,809.

Ms. Santina Thibedeau, Department of Education, Special Education, here to offer technical assistance. Explained how a child becomes eligible for catastrophic aid.

Department of Education 2010/2009 - 85,90% prorated appropriation. Children over \$100,000 costs - 100%. Up 3.5 times of average statewide per pupil costs, plus. Children under \$100,000 - 80%. 1282 students qualify, 1251 actually receiving aid. Cost for catastrophic based on average statewide per pupil cost. NH has higher requirement than federal IDEA.

Rep. Keane asked for list of RSA that would need to be changed and rules and IDEA standard.

47 million Entitlement Grants for Special Education staffing. Catastrophic aid alone IDEA requirements if eliminated NH would now have a catastrophic aid program.

2010	100%	80%
80% - 1296	35 mil	28.9 mil
100% 142		

*Breakdown of how much money was spent for the 80% funding 100% funding.

Respectfully submitted,

Karen Umberger
Rep. Karen Umberger, Clerk

HOUSE COMMITTEE ON FINANCE

PUBLIC HEARING ON HB 425-FN-A-L

BILL TITLE: making an appropriation for the special education catastrophic aid program for the 2011 fiscal year.

DATE:

LOB ROOM: 210-211

Time Public Hearing Called to Order: 11:45

Time Adjourned: 12:05

(please circle if present)

Committee Members: Reps. Weyler, L. Ober, Kurk, Emerton, Rodeschin, Belvin, Elliott, Vaillancourt, Allen, Marshall, Quandt, R. Barry, Cebrowski, Wm. Smith, Sova, Umberger, Keane, Simard, Twombly, Worsman, Foose, Nordgren, Baroody, Benn, Lerandean and Rosenwald.

Bill Sponsors: Rep. K. Hutchinson, Rock 3

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Rep Hutchinson ~~sp~~ support

Special House Bill took 7m⁺ from ARRA funding for Special Education and the result is downshifting of costs to towns for catastrophic aid \$7,892,809

Santina Thebelean Dept of Education

Explained how a child becomes eligible for catastrophic aid

Dept of ED

2000 2009

85, 90% prorated appropriation

Children over \$100,000 costs - 100% 131

up 3 1/2 times of average statewide per pupil costs +

Children under \$100,000 - 80%

1382 students ^{qualify}
1251 actually receiving aid

for catastrophic

cost based on average statewide per pupil cost

NH has higher requirement than Federal ~~IEBA~~ IDEA

Rep Keane ask for ^{list} copy of RSA that would need to be changed and Rules and IDEA standard

→ 47 million Entitlement Grants for Special Ed staffing

Cat aid above IDEA requirements if eliminated
NH would not have a Cat aid program

	2010	100%	80%
^{80%}	#0-1296	} 35 mil	28.9 mil
100%	142		

Breakdown of how much money was spent
for the 80% funding 100% funding

Testimony

Estimated FY 2011 Catastrophic Aid Distribution Analysis

	A	B	C	D	E
Row	District of Liability	Entitlement 100%	Appropriation Reduction by 69.752%	% of Total Distribution (C/C1)	Est. Impact of Ch. 1, L'10 SS (D*E1)
	Source:	DOE	DOE	LBAO	LBAO
1	Statewide	\$32,443,653.53	\$22,630,097.21	100.00%	(7,892,809.00)
2	Albany	\$55,355.68	\$38,611.69	0.17%	(13,466.79)
3	Allenstown	\$35,984.11	\$25,099.64	0.11%	(8,754.12)
4	Alton	\$140,985.62	\$98,340.29	0.43%	(34,298.62)
5	Amherst	\$354,648.34	\$247,374.31	1.09%	(86,277.94)
6	Ashland	\$9,237.94	\$6,443.65	0.03%	(2,247.38)
7	Auburn	\$97,257.67	\$67,839.17	0.30%	(23,660.60)
8	Barrington	\$165,881.53	\$115,705.68	0.51%	(40,355.23)
9	Bartlett	\$157,572.66	\$109,910.08	0.49%	(38,333.87)
10	Bath	\$23,161.83	\$16,155.84	0.07%	(5,634.75)
11	Bedford	\$602,803.71	\$420,467.64	1.86%	(146,648.54)
12	Berlin	\$116,390.48	\$81,184.68	0.36%	(28,315.18)
13	Bow	\$510,641.74	\$356,182.83	1.57%	(124,227.62)
14	Brookline	\$94,992.41	\$66,259.11	0.29%	(23,109.51)
15	Campton	\$3,609.98	\$2,518.03	0.01%	(878.23)
16	Candia	\$157,961.59	\$110,181.37	0.49%	(38,428.49)
17	Chester	\$82,220.35	\$57,350.34	0.25%	(20,002.36)
18	Chesterfield	\$207,379.51	\$144,651.36	0.64%	(50,450.76)
19	Chichester	\$157,344.51	\$109,750.95	0.48%	(38,278.37)
20	Claremont	\$216,878.50	\$151,277.09	0.67%	(52,761.65)
21	Concord	\$696,554.13	\$485,860.44	2.15%	(169,455.91)
22	Contoocook Valley	\$892,314.73	\$622,407.37	2.75%	(217,080.04)
23	Conway	\$170,364.29	\$118,832.50	0.53%	(41,445.79)
24	Cornish	\$1,927.91	\$1,344.76	0.01%	(469.02)
25	Deerfield	\$428,911.30	\$299,174.21	1.32%	(104,344.44)
26	Derry Cooperative	\$869,540.35	\$606,521.78	2.68%	(211,539.55)
27	Dover	\$222,781.23	\$155,394.36	0.69%	(54,197.65)
28	Dresden	\$154,084.73	\$107,477.18	0.47%	(37,485.34)
29	Dummer	\$18,133.92	\$12,648.77	0.06%	(4,411.57)
30	Dunbarton	\$32,474.91	\$22,651.90	0.10%	(7,900.41)
31	Epping	\$85,891.44	\$59,911.00	0.26%	(20,895.45)
32	Epsom	\$212,865.93	\$148,478.24	0.66%	(51,785.48)
33	Exeter	\$713.18	\$497.46	0.00%	(173.50)

Estimated FY 2011 Catastrophic Aid Distribution Analysis

	A	B	C	D	E
Row	District of Liability	Entitlement 100%	Appropriation Reduction by 69.752%	% of Total Distribution (C/C1)	Est. Impact of Ch. 1, L'10 SS (D*E1)
	Source:	DOE	DOE	LBAO	LBAO
34	Exeter Regional Cooperative	\$261,691.19	\$182,534.84	0.81%	(63,663.56)
35	Fall Mountain Regional	\$332,519.46	\$231,938.98	1.02%	(80,894.48)
36	Farmington	\$191,005.78	\$133,230.35	0.59%	(46,467.40)
37	Franklin	\$277,308.73	\$193,428.39	0.85%	(67,462.96)
38	Fremont	\$61,349.97	\$42,792.83	0.19%	(14,925.06)
39	Gilford	\$179,978.57	\$125,538.65	0.55%	(43,784.73)
40	Gilmanton	\$213,682.53	\$149,047.84	0.66%	(51,984.14)
41	Goffstown	\$554,988.49	\$387,115.57	1.71%	(135,016.18)
42	Goshen-Lempster Cooperative	\$68,942.53	\$48,088.79	0.21%	(16,772.16)
43	Governor Wentworth Regional	\$329,054.42	\$229,522.04	1.01%	(80,051.52)
44	Hampstead	\$399,507.62	\$278,664.56	1.23%	(97,191.19)
45	Hampton	\$89,883.47	\$62,695.52	0.28%	(21,866.62)
46	Hampton Falls	\$300,328.79	\$209,485.34	0.93%	(73,063.22)
47	Hanover	\$24,586.72	\$17,149.73	0.08%	(5,981.39)
48	Haverhill Cooperative	\$222,218.21	\$155,001.65	0.68%	(54,060.68)
49	Hillsboro-Deering Cooperative	\$342,151.26	\$238,657.35	1.05%	(83,237.68)
50	Hinsdale	\$194,850.74	\$135,912.29	0.60%	(47,402.79)
51	Hollis	\$138,112.28	\$96,336.07	0.43%	(33,599.60)
52	Hollis/Brookline Cooperative	\$159,779.12	\$111,449.13	0.49%	(38,870.66)
53	Hooksett	\$478,765.11	\$333,948.24	1.48%	(116,472.75)
54	Hopkinton	\$3,872.57	\$2,701.19	0.01%	(942.11)
55	Hudson	\$253,673.40	\$176,942.27	0.78%	(61,713.02)
56	Inter-Lakes Cooperative	\$36,707.92	\$25,604.51	0.11%	(8,930.21)
57	Jackson	\$23,396.92	\$16,319.82	0.07%	(5,691.94)
58	Jaffrey-Rindge Cooperative	\$166,502.93	\$116,139.12	0.51%	(40,506.41)
59	John Stark Regional	\$562,427.33	\$392,304.31	1.73%	(136,825.88)
60	Kearsarge Regional	\$590,398.47	\$411,814.74	1.82%	(143,630.63)
61	Keene	\$691,896.85	\$482,611.89	2.13%	(168,322.89)
62	Laconia	\$146,538.13	\$102,213.27	0.45%	(35,649.42)
63	Lebanon	\$265,915.32	\$185,481.26	0.82%	(64,691.20)
64	Lisbon Regional	\$173,765.09	\$121,204.62	0.54%	(42,273.13)
65	Litchfield	\$357,309.08	\$249,230.23	1.10%	(86,925.24)
66	Littleton	\$79,277.02	\$55,297.31	0.24%	(19,286.31)

Estimated FY 2011 Catastrophic Aid Distribution Analysis

	A	B	C	D	E
Row	District of Liability	Entitlement 100%	Appropriation Reduction by 69.752%	% of Total Distribution (C/C1)	Est. Impact of Ch. 1, L'10 SS (D*E1)
	Source:	DOE	DOE	LBAO	LBAO
67	Londonderry	\$652,096.26	\$454,850.18	2.01%	(158,640.31)
68	Madison	\$47,556.37	\$33,171.52	0.15%	(11,569.39)
69	Manchester	\$767,071.89	\$535,047.98	2.36%	(186,611.29)
70	Marlborough	\$323,352.70	\$225,544.97	1.00%	(78,664.42)
71	Marlow	\$19,723.98	\$13,757.87	0.06%	(4,798.40)
72	Mascenic Regional	\$215,992.20	\$150,658.88	0.67%	(52,546.03)
73	Mascoma Valley Regional	\$163,727.93	\$114,203.50	0.50%	(39,831.31)
74	Merrimack	\$1,697,440.86	\$1,183,998.95	5.23%	(412,949.07)
75	Merrimack Valley	\$245,996.32	\$171,587.35	0.76%	(59,845.35)
76	Milan	\$32,658.02	\$22,779.62	0.10%	(7,944.96)
77	Milford	\$199,684.21	\$139,283.73	0.62%	(48,578.66)
78	Milton	\$50,880.37	\$35,490.07	0.16%	(12,378.05)
79	Monadnock Regional	\$492,711.32	\$343,676.00	1.52%	(119,865.55)
80	Monroe	\$39,436.06	\$27,507.44	0.12%	(9,593.90)
81	Mont Vernon	\$143,992.65	\$100,437.75	0.44%	(35,030.16)
82	Moultonborough	\$67,329.18	\$46,963.45	0.21%	(16,379.67)
83	Nashua	\$861,680.99	\$601,039.73	2.66%	(209,627.55)
84	New Boston	\$36,564.49	\$25,504.46	0.11%	(8,895.31)
85	Newfound Area	\$84,597.86	\$59,008.70	0.26%	(20,580.75)
86	Newmarket	\$74,139.94	\$51,714.09	0.23%	(18,036.57)
87	Newport	\$247,882.46	\$172,902.98	0.76%	(60,304.21)
88	Northwood	\$429,413.62	\$299,524.59	1.32%	(104,466.65)
89	Nottingham	\$130,592.23	\$91,090.70	0.40%	(31,770.14)
90	Oyster River Cooperative	\$184,629.23	\$128,782.58	0.57%	(44,916.13)
91	Pelham	\$353,527.24	\$246,592.32	1.09%	(86,005.20)
92	Pembroke	\$720,176.92	\$502,337.81	2.22%	(175,202.80)
93	Pemi-Baker Regional	\$165,948.63	\$115,752.49	0.51%	(40,371.56)
94	Piermont	\$50,856.73	\$35,473.59	0.16%	(12,372.30)
95	Pittsfield	\$369,753.40	\$257,910.39	1.14%	(89,952.66)
96	Plymouth	\$153,418.79	\$107,012.68	0.47%	(37,323.33)
97	Portsmouth	\$240,800.55	\$167,963.20	0.74%	(58,581.34)
98	Profile Regional	\$187,137.20	\$130,531.94	0.58%	(45,526.26)
99	Raymond	\$403,527.10	\$281,468.22	1.24%	(98,169.04)

Estimated FY 2011 Catastrophic Aid Distribution Analysis

	A	B	C	D	E
Row	District of Liability	Entitlement 100%	Appropriation Reduction by 69.752%	% of Total Distribution (C/C1)	Est. Impact of Ch. 1, L'10 SS (D*E1)
	Source:	DOE	DOE	LBAO	LBAO
100	Rochester	\$537,362.81	\$374,821.31	1.66%	(130,728.25)
101	Rumney	\$3,110.16	\$2,169.40	0.01%	(756.63)
102	Rye	\$30,842.06	\$21,512.95	0.10%	(7,503.18)
103	Salem	\$1,810,028.05	\$1,262,530.77	5.58%	(440,338.99)
104	Sanborn Regional	\$392,664.53	\$273,891.37	1.21%	(95,526.42)
105	Shaker Regional	\$52,831.16	\$36,850.79	0.16%	(12,852.63)
106	Somersworth	\$580,874.91	\$405,171.87	1.79%	(141,313.76)
107	Souhegan Cooperative	\$869,786.67	\$606,693.60	2.68%	(211,599.48)
108	South Hampton	\$12,572.39	\$8,769.50	0.04%	(3,058.58)
109	Stewartstown	\$57,648.54	\$40,211.01	0.18%	(14,024.59)
110	Sunapee	\$62,546.18	\$43,627.21	0.19%	(15,216.08)
111	Tamworth	\$27,197.10	\$18,970.52	0.08%	(6,616.44)
112	Timberlane Regional	\$839,392.38	\$585,492.97	2.59%	(204,205.23)
113	Unity	\$160,441.66	\$111,911.26	0.49%	(39,031.84)
114	Wakefield	\$36,722.36	\$25,614.58	0.11%	(8,933.72)
115	Washington	\$61,420.30	\$42,841.89	0.19%	(14,942.17)
116	Westmoreland	\$36,450.43	\$25,424.90	0.11%	(8,867.57)
117	White Mountains Regional	\$167,035.68	\$116,510.73	0.51%	(40,636.01)
118	Wilton-Lyndeboro Cooperative	\$230,638.17	\$160,874.74	0.71%	(56,109.06)
119	Winchester	\$527,724.27	\$368,098.24	1.63%	(128,383.41)
120	Windham	\$640,740.08	\$446,929.02	1.97%	(155,877.61)
121	Winnacunnet Cooperative	\$235,553.92	\$164,303.57	0.73%	(57,304.95)
122	Winnisquam Regional	\$66,519.83	\$46,398.91	0.21%	(16,182.77)

Source: NH Department of Education, Division of Instruction, Bureau of Special Education.

Voting Sheets

HOUSE COMMITTEE ON FINANCE

EXECUTIVE SESSION on HB 425-FN-A-L

BILL TITLE: making an appropriation for the special education catastrophic aid program for the 2011 fiscal year.

DATE: March 01, 2011

LOB ROOM: 210-211

Amendments:

Sponsor: Rep.	OLS Document #:
Sponsor: Rep.	OLS Document #:
Sponsor: Rep.	OLS Document #:

Motions: OTP, OTP/A, ITL Retained (Please circle one.)

Moved by Rep. W. Smith

Seconded by Rep. Umberger

Vote: 15-5 (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

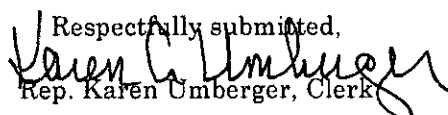
Seconded by Rep.

Vote: (Please attach record of roll call vote.)

REGULAR or CONSENT CALENDAR (Please circle one.)

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Karen Umberger, Clerk

HOUSE COMMITTEE ON FINANCE

EXECUTIVE SESSION on HB 425-FN-A-L

BILL TITLE: making an appropriation for the special education catastrophic aid program for the 2011 fiscal year.

DATE: 1 Mar 2011

LOB ROOM: 210-211

Amendments:

Sponsor: Rep. OLS Document #:
Sponsor: Rep. OLS Document #:
Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep. *Smith*

Seconded by Rep. *Karen C Umberger*

Vote: (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

REGULAR or CONSENT CALENDAR (Please circle one.)

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Karen Umberger, Clerk

FINANCE

Bill #: 425 Title: making an approp for the special Ed Cat Care program for 2011 FY
 PH Date: 2 / 14 / 11 Exec Session Date: 3 / 13 / 11

Motion: ITL Amendment #: _____

MEMBER	YEAS 15	NAYS 5
Weyler, Kenneth L, Chairman	X	
Ober, Lynne M, V Chairman	ah	
Kurk, Neal M	ah	
Emerton, Larry	ah * ah	
Rodeschin, Beverly T	X	
Belvin, William S	X	
Elliott, Robert J	X	
Vaillancourt, Steve	X	
Allen, Mary M	X	
Quandt, Marshall E	ah	
Barry, Richard W	X	
Cebrowski, John W	X	
Smith, William B	X	
Sova, Charles E	X	
Umberger, Karen C, Clerk	X	
Keane, Thomas E	X	
McGuire, Dan	ah	
Simard, Paul H	X	
Twombly, Timothy L	X	
Worsman, Colette	X	
Foose, Robert A		X
Nordgren, Sharon	ah	
Baroody, Benjamin C		X
Benn, Bernard L		X
Lerandeau, Alfred C		X
Rosenwald, Cindy		X
TOTAL VOTE:	15	5

Committee Report

REGULAR CALENDAR

March 2, 2011

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Committee on FINANCE to which was referred HB425-FN-A-L,

AN ACT making an appropriation for the special education catastrophic aid program for the 2011 fiscal year. Having considered the same, report the same with the following Resolution: RESOLVED, That it is INEXPEDIENT TO LEGISLATE.

Rep. Karen C Umberger

FOR THE COMMITTEE

COMMITTEE REPORT

Committee:	FINANCE
Bill Number:	HB425-FN-A-L
Title:	making an appropriation for the special education catastrophic aid program for the 2011 fiscal year.
Date:	March 2, 2011
Consent Calendar:	NO
Recommendation:	INEXPEDIENT TO LEGISLATE

STATEMENT OF INTENT

This bill would allocate an extra \$7,892,809 for FY11 (this year) for Special Education Catastrophic Aid. While the committee supports this program, school budgets for FY11 have already been established. There are no remaining funds available to support this increase.

Vote 15-5.

Rep. Karen C Umberger
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

FINANCE

HB425-FN-A-L, making an appropriation for the special education catastrophic aid program for the 2011 fiscal year. **INEXPEDIENT TO LEGISLATE.**

Rep. Karen C Umberger for FINANCE. This bill would allocate an extra \$7,892,809 for FY11 (this year) for Special Education Catastrophic Aid. While the committee supports this program, school budgets for FY11 have already been established. There are no remaining funds available to support this increase. Vote 15-5.

Original: House Clerk
Cc: Committee Bill File

COMMITTEE REPORT

COMMITTEE: Finance

BILL NUMBER: HB 425-FN-A-L

TITLE: making an appropriation for the special education catastrophic aid program for the 2011 fiscal year

DATE: Mar 1, 2011 CONSENT CALENDAR: YES NO

- OUGHT TO PASS
- OUGHT TO PASS W/ AMENDMENT
- INEXPEDIENT TO LEGISLATE
- INTERIM STUDY (Available only 2nd year of biennium)

Amendment No. _____

STATEMENT OF INTENT:

This bill would allocate an extra \$7,892,809 for FY 11 (this year) for Special Education catastrophic aid. While the committee supports this program, school budgets for FY 11 have already ^{been} established there are no remaining funds available to support this ^{increased} program.

[Handwritten signature]

COMMITTEE VOTE: 15-5

RESPECTFULLY SUBMITTED,

- Copy to Committee Bill File
- Use Another Report for Minority Report

Rep. Karen C. Umhoefer
For the Committee

New Hampshire General Court - Bill Status System

Docket of HB425

Docket Abbreviations

Bill Title: making an appropriation for the special education catastrophic aid program for the 2011 fiscal year.

Official Docket of HB425:

Date	Body	Description
1/21/2011	H	Introduced 1/6/2011 and referred to Finance; HJ 11 , PG. 186
2/9/2011	H	==RESCHEDULED== Public Hearing: 2/14/2011 11:00 AM LOB 210-211 (Orig 11:00 AM)
2/22/2011	H	Division II Work Session: 2/24/2011 1:00 PM LOB 209
2/23/2011	H	Executive Session: 3/1/2011 10:00 AM LOB 210-211
3/2/2011	H	Committee Report: Inexpedient to Legislate for Mar 15 (Vote 15-5; RC); HC 22 , PG.555
3/16/2011	H	Inexpedient to Legislate: MA VV; HJ 28 , PG.856

NH House

NH Senate