

April 16, 2004
No. 16A

STATE OF NEW HAMPSHIRE

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Legislative

SENATE CALENDAR ADDENDUM

REPORT AND AMENDMENT

**THE SENATE WILL MEET IN SESSION ON
THURSDAY, APRIL 22, 2004 AT 10:00 A.M.**

REPORT

EDUCATION

HB 727-FN-L, (New Title) establishing a legislative oversight committee for the school administrative unit system.

Ought to pass with amendment, Vote 2-1

Senator Green for the committee.

AMENDMENT

Senate Education

April 20, 2004

2004-1309s

04/09

Amendment to HB 727-FN-LOCAL

Amend the title of the bill by replacing it with the following:

AN ACT establishing a school choice certificate program.

Amend the bill by replacing all after the enacting clause with the following:

1 Statement of Purpose. It is the purpose of this act to maintain and improve the quality of education in all schools in the state by providing to all parents or legal guardians in the state enhanced opportunity for the exercise of parental choice in the education of their school-age children.

2 New Chapter; School Choice Certificate Program. Amend RSA by inserting after chapter 193-H the following new chapter:

CHAPTER 193-I

SCHOOL CHOICE CERTIFICATE PROGRAM

193-I:1 Program Established. A school choice certificate program is hereby established for the purpose of allowing the parent or legal guardian of a child to receive, on request, a certificate that shall be used for tuition at a nonpublic school in New Hampshire selected by the child's parent or legal guardian.

193-I:2 Eligibility and Funding.

I.(a) School choice certificates shall be available as set forth in this section for payment of tuition at an eligible approved nonpublic school up to the value of the certificate. Funding of school choice certificates shall be made through the education trust fund established in RSA 198:39.

(b) Entry into the program shall be limited to those pupils entering the first grade or pupils enrolled in a New Hampshire public school for the full academic year preceding the year of entry into the program, and whose family income does not exceed 300 percent of the federal poverty guidelines, as established and updated periodically in the Federal Register by the United States Department of Health and Human Services under the authority of 42 U.S.C. section 9902 (2). The superintendent of the school administrative unit where the pupil resides shall require proof that a pupil is a legal resident of this state as a prerequisite to participation in this program and shall annually verify the income eligibility of each program participant.

(c) Applications for the program shall be submitted to the superintendent of the school administrative unit where the pupil resides, on a form provided by the department of education, not earlier than December 1 and not later than June 30 of the academic year preceding the year of participation. The superintendent shall notify applicants of decisions therein during the month of July.

II. Certificates shall be made available as follows:

(a) In the first year of the program, to children entering grades 1-2, up to a maximum of 1,200 certificates statewide.

(b) In the second year of the program, to children entering grades 1-3, up to a maximum of 4,000 certificates statewide.

(c) In the third year of the program, to children entering grades 1-4, up to a maximum of 6,000 certificates statewide.

(d) In the fourth year of the program, to children entering grades 1-5, up to a maximum of 8,000 certificates statewide.

(e) In the fifth year of the program, to children entering grades 1-6, up to a maximum of 10,000 certificates statewide.

(f) In the sixth year of the program, to children entering grades 1-7, up to a maximum of 12,000 certificates statewide.

(g) In the seventh year of the program, to children entering grades 1-8, up to a maximum of 14,000 certificates statewide.

III. The number of certificates allocated to a school district in a given year shall be a percentage of the total number of certificates available in that year. Such percentage shall be calculated by dividing the most recently available average daily membership in residence in the school district by the most recently available total statewide average daily membership in residence as calculated by the department of education.

IV. In any school district where there are more applicants for certificates than certificates available in a given year as determined under paragraph III, a lottery shall be held and certificates shall be allocated according to the following criteria:

(a) First, to pupils who were awarded certificates in the immediately preceding year.

(b) Second, to pupils from families where the family income is below 200 percent of the federal poverty guidelines as established and updated periodically in the Federal Register by the United States Department of Health and Human Services under the authority of 42 U.S.C. section 9902 (2).

(c) Third, to pupils from families where the family income is below 300 percent of the federal poverty guidelines as established and updated periodically in the Federal Register by the United States Department of Health and Human Services under the authority of 42 U.S.C. section 9902 (2).

V. Pupils enrolled in the school choice certificate program shall reapply each school year.

193-I:3 Value of Certificate. The value of a school choice certificate for any individual pupil shall be 100 percent of the per pupil amount established in RSA 198:40-a, I, excluding the calculations required under subparagraphs (a)-(d) of that section, subject to the following provisions:

I. No parent shall receive a school choice certificate whose total household adjusted gross income for federal income tax purposes is greater than 300 percent of the federal poverty guidelines as set by the United States Department of Health and Human Services.

II. Parents whose total household adjusted gross income for federal income tax purposes is not greater than 200 percent of the federal poverty guidelines as set by the United States Department of Health and Human Services shall be eligible for 100 percent of the school choice certificate amount established in this section.

III. Parents whose total household adjusted gross income for federal income tax purposes is greater than 200 percent but not greater than 250 percent of the federal poverty guidelines as set by the United States Department of Health and Human Services shall be eligible for 75 percent of the school choice certificate amount established in this section.

IV. Parents whose total household adjusted gross income for federal income tax purposes is greater than 250 percent but not greater than 275 percent of the federal poverty guidelines as set by the United States Department of Health and Human Services shall be eligible for 50 percent of the school choice certificate amount established in this section.

V. Parents whose total household adjusted gross income for federal income tax purposes is greater than 275 percent but not greater than 300 percent of the federal poverty guidelines as set by the United States Department of Health and Human Services shall be eligible for 25 percent of the school choice certificate amount established in this section.

193-I:4 Participating Schools.

I. The appropriate official for each nonpublic school shall decide whether to participate in the certificate program.

II. A nonpublic school may admit a child with a certificate, up to the limit of the school's capacity, after reserving places for children admitted in accordance with the school's regular admissions practices.

III. Nonpublic schools shall establish criteria for the admission of children with certificates that are consistent with the admissions criteria that it regularly applies.

IV. Participating schools shall be permitted flexibility to educate pupils in accordance with the school's educational mission.

V. Only nonpublic schools approved by the state of New Hampshire shall be eligible to participate in this program.

193-I:5 Redeeming Certificates.

I. The appropriate official in the pupil's resident school district shall administer the certificate program for each pupil in that district who participates in the program. Each nonpublic school which participates in this program shall, no later than June 30 of each year, submit verification of each student in attendance for the full school year under this program on a form provided by the department of education. Such verification shall list the name, address, dates of attendance, and the tuition cost for each student attending under this program.

II. The value of the certificate shall be issued by the state treasurer to the pupil's parent or legal guardian for payment to the nonpublic school of choice. ***The governor is authorized to draw a warrant from the education trust fund to satisfy the state's obligation under this section. Such warrant for payment shall be issued regardless of the balance of funds available in the education trust fund.*** Distributions made under this section shall coincide with the schedule set forth in RSA 198:42, I. A parent or legal guardian shall endorse the check for redemption by an official of the nonpublic school.

III. The value of a school choice certificate shall be prorated on a per diem basis for pupils attending a nonpublic school for less than a full school year.

193-I:6 Transportation. Any transportation costs for transporting a child to a nonpublic school outside of the local school district shall be borne by the child's parent or legal guardian.

193-I:7 Testing. Each nonpublic school which accepts a pupil who is a participant in the school choice certificate program shall submit to the pupil's resident school district office, no later than June 30 of each year, the test scores of any standardized test taken while such pupil was enrolled in the nonpublic school. No personally identifiable information shall be released with the test scores. This provision shall apply only to pupils in the third and sixth grades. The standardized test shall be a test that is nationally accredited or recognized and which offers an objective, comprehensive estimate of a pupil's educational development in areas such as language arts, reading, mathematics, and social studies.

193-I:8 Liability Limited.

I. Except as specifically provided in this chapter, nonpublic schools shall not be required to comply with additional laws or rules as a result of attendance by pupils whose parents receive school choice certificates.

II. No nonpublic school shall be required to accept pupils whose parents receive school choice certificates.

III. No school district shall be held liable for damages in an action to recover for bodily injury, personal injury, property damage as defined in RSA 507-B:1, or failure to educate pupils, where the action arises out of a parent's exercise of options under the provisions of this chapter.

193-I:9 Rulemaking. The state board of education shall adopt rules pursuant to RSA 541-A for the development of forms necessary to implement this chapter.

193-I:10 Legislative Oversight Committee. An oversight committee is established consisting of the following members:

I. The chairperson of the house education committee, or a designee.

II. The chairperson of the senate education committee, or a designee.

III. One member of the house of representatives, appointed by the speaker of the house.

IV. One member of the senate, appointed by the senate president.

V. One member of the house finance committee, appointed by the speaker of the house.

VI. One member of the senate finance committee, appointed by the senate president.

193-I:11 Duties of the Legislative Oversight Committee.

I. The oversight committee shall review the development and implementation of the school choice certificate program established in this chapter to ensure compliance with legislative policy.

II. In the third, fifth, and seventh years of the program, the oversight committee shall conduct a review of the school choice certificate program and submit a report, in each year of review, to the speaker of the house of representatives and the president of the senate detailing the status of the program.

193-I:12 Severability. If any provision of this chapter or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are declared to be severable.

3 Targeted Per Pupil Aid; State Enhanced Education Aid. Amend RSA 198:40-a to read as follows:

198:40-a Targeted Per Pupil Aid.

I. A municipality with a local equalized valuation per pupil as calculated in RSA 198:40, II, which is less than or equal to [200] **150** percent of the statewide average equalized valuation per pupil, as calculated in RSA 198:40, I, shall be eligible to receive targeted per pupil aid for such municipality's transportation costs as reported on the DOE-25 form, and for such municipality's educationally disabled pupils, pupils eligible for free or reduced-price meals, and English for speakers of other languages which shall be determined by multiplying the statewide average equalized valuation per pupil, as calculated in RSA 198:40, I, by the calculated rate. The product shall be divided by 1,000 resulting in a per pupil amount which shall be available to a municipality as follows:

(a) The per pupil amount calculated in paragraph I shall be multiplied by the average daily membership in residence of educationally disabled pupils in the municipality. This amount shall be available as targeted aid for educationally disabled pupils in the municipality.

(b)(1) For the 2005 fiscal year, the per pupil amount calculated in paragraph I[, less \$300,] shall be multiplied by the average daily membership in residence eligible to receive a free or reduced-price meal in grades 1 through 12 in the school district. This amount shall be available as targeted aid for pupils eligible to receive free or reduced-price meals in the municipality.

(2) For the 2006 fiscal year and every fiscal year thereafter, the per pupil amount calculated in paragraph I shall be multiplied by the average daily membership in residence eligible to receive a free or reduced-price meal in grades 1 through 12 in the school district. This amount shall be available as targeted aid for pupils eligible to receive free or reduced-price meals in the municipality.

(c) The per pupil amount calculated in paragraph I shall be multiplied by the average daily membership in attendance receiving English for speakers of other languages services in the municipality. This amount shall be available as targeted aid for pupils in the municipality receiving English for speakers of other languages. In this subparagraph "average daily membership in attendance" shall be as defined in RSA 189:1-d, III.

(d) A municipality eligible to receive targeted per pupil aid under this paragraph shall also receive 100 percent of transportation costs in such municipality.

II. A municipality with a local equalized valuation per pupil, as calculated in RSA 198:40, II, which is greater than [200] **150** percent of the statewide average equalized valuation per pupil as calculated in RSA 198:40, I shall not receive targeted per pupil aid under this section.

4 School Money; Education Trust Fund. Amend the introductory paragraph in RSA 198:39, I to read as follows:

I. The state treasurer shall establish an education trust fund in the treasury. Moneys in such fund shall not be used for any purpose other than to distribute adequate education grants to municipalities' school districts pursuant to RSA 198:42, [and] to provide statewide enhanced education tax hardship relief under RSA 198:61, **and to provide funding for school choice certificates pursuant to RSA 193-I:5**. The state treasurer shall deposit into this fund immediately upon receipt:

5 Effective Date. This act shall take effect July 1, 2004 at 12:01 a.m.

2004-1309s

AMENDED ANALYSIS

This bill establishes a school choice certificate program.