

# Senate Finance Committee

*Deb Martone 271-4980*

**SB 56-FN-A-LOCAL**, relative to adequate education grant payments to certain municipalities.

**Hearing Date:** January 24, 2017

**Time Opened:** 2:02 p.m.

**Time Closed:** 2:08 p.m.

**Members of the Committee Present:** Senators Daniels, Reagan, Morse and Feltes

**Members of the Committee Absent:** Senators Giuda and D'Allesandro

**Bill Analysis:** This bill appropriates funds for additional adequate education grants to certain municipalities for costs incurred in the 2016 fiscal year.

**Sponsors:**

Sen. Birdsell

Rep. McMahon

Rep. M. Griffin

Rep. Kolodziej

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**Who supports the bill:** Senators Birdsell and Watters.

**Summary of testimony presented in support:**

**Senator Birdsell, Prime Sponsor:**

- This bill appropriates the funds for schools that were under the cap. It allows adequate education grants to certain municipalities for costs incurred during the 2016 Fiscal Year.
- Senator Sanborn was also a co-sponsor of the bill, but his name was inadvertently left off.
- Senator Birdsell presented Amendment #2017-0097s, a request of the Chair of the Derry School Board. The amendment freezes the stability grant for those municipalities for the years 2017-2019.
- Senator Feltes inquired about the impact of the amendment and whether there would be a revised Fiscal Note. Senator Birdsell assured him should the amendment pass, she would seek a revised Fiscal Note. Senator Feltes also wondered if the Department of Education would be able to provide some basic information as to the impact. Senator Birdsell stated either she or the LBAO would request same from the Department.
- Senator Morse stated SB 56-FN-A-LOCAL was funded in 2016. In the current budget, the stabilization grants are decreased each year by 4%. Amendment #2017-0097s would prohibit this action. Senator Birdsell indicated last year Derry lost \$350,000. This year they would lose an additional \$350,000.

- Senator Morse noted the Senator that wrote the education funding bill was from Derry. That was Senator Rausch.
- Senator Reagan inquired as to the origin of the stabilization grants. Senator Morse explained Senator Rausch wrote the education funding bill with Senator Stiles so that they could insure every student received the same amount of money. To enable passage, approximately \$150 million had to be added. The House then wanted to raid that \$150 million by \$20 million. The Senate compromised with the 4% reduction until the fund is eliminated. Derry is trying to stop the reduction from occurring.
- Senator Morse went on to explain that while giving the communities the money, the Legislature capped what communities could receive. The amount of students a community had would eventually equal the funds they would receive. That would take a long time for the communities of Windham and Bedford. In 2017 the cap goes away.
- Lawsuits then occurred, with Dover being the first. Dover won their lawsuit, and has already been paid.
- Senator Feltes indicated this bill addresses school districts with increasing enrollment.

**Future Action:** Ought to Pass

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Date Hearing Report completed: January 26, 2017