

HB 1677-FN - AS INTRODUCED

2024 SESSION

24-2696
02/10

HOUSE BILL

1677-FN

AN ACT relative to participation in education freedom accounts based on school or school district proficiency scores.

SPONSORS: Rep. Hoell, Merr. 27; Rep. Packard, Rock. 16; Rep. Osborne, Rock. 2; Rep. Phillips, Rock. 7; Rep. Reid, Hills. 27; Rep. T. Mannion, Hills. 1; Rep. Granger, Straf. 2; Rep. Layon, Rock. 13; Rep. Potenza, Straf. 19; Rep. Sirois, Hills. 32; Sen. Murphy, Dist 16; Sen. Ward, Dist 8; Sen. Lang, Dist 2

COMMITTEE: Education

ANALYSIS

This bill extends eligibility for the education freedom account program to students who participated in the program in the preceeding year, students whose enrollment transfer requests were denied, and to students in school districts which performed at 49 percent or below in statewide assessments.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to participation in education freedom accounts based on school or school district proficiency scores.

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

1 1 Short Title. This act shall be known as the Every Student Loves Education Achievement and
2 Reforming Negligent Schools (LEARNS) Act.

3 2 Definitions; Eligible Student. RSA 194-F:1, VI is repealed and reenacted to read as follows:

4 VI. "Eligible student" means a resident of this state who is eligible to enroll in a public
5 elementary or secondary school and who meets any of the following criteria:

6 (a) A student whose annual household income at the time the student applies for the
7 program is less than or equal to 350 percent of the federal poverty guidelines as updated annually in
8 the Federal Register by the United States Department of Health and Human Services under 42
9 U.S.C. section 9902(2). No income threshold need be met in subsequent years, provided the student
10 otherwise qualifies. Students in the special school district within the department of corrections
11 established in RSA 194:60 shall not be eligible students;

12 (b) A student who lives within the geographic boundaries of a public school or district,
13 excluding chartered public schools authorized by the state board of education pursuant to RSA 194-
14 B:3-a, which has an aggregate performance of less than 49 percent proficiency in the mathematics,
15 reading and language arts, or science statewide assessment administered pursuant to RSA 193-C in
16 the first or second preceding year;

17 (c) A student whose enrollment transfer request was denied pursuant to RSA 193:3; or

18 (d) A student who participated in the EFA program in the preceeding school year.

19 3 Effective Date. This act shall take effect July 1, 2024.

HB 1677-FN- FISCAL NOTE
AS INTRODUCED

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FISCAL IMPACT: ☒ State ☐ County ☒ Local ☐ None

Estimated State Impact - Increase / (Decrease)				
	FY 2024	FY 2025	FY 2026	FY 2027
Revenue	\$0	\$0	\$0	\$0
Revenue Fund(s)	None			
Expenditures	\$0	Indeterminable		
Funding Source(s)	Education Trust Fund			
Appropriations	\$0	\$0	\$0	\$0
Funding Source(s)	None			

- Does this bill provide sufficient funding to cover estimated expenditures? ☒ N/A
- Does this bill authorize new positions to implement this bill? ☒ N/A

Estimated Political Subdivision Impact - Increase / (Decrease)				
	FY 2024	FY 2025	FY 2026	FY 2027
Local Revenue	\$0	Indeterminable		
Local Expenditures	\$0	Indeterminable		

METHODOLOGY:

This bill expands eligibility for the education freedom account (EFA) program by adding new qualifying conditions. As of November 2023, 4,552 students were in the EFA program with an annualized cost estimated at \$23.8 million with the typically grant averaging to be \$5,235 per student. The current average education grant to public district schools is \$6,217, which includes cost for an adequate education and extraordinary needs grant.

The Department of Education states this bill will result in an indeterminable number of new students accessing the program. The following is information relative to the different situations in which a student may access the EFA program:

- Students accessing the program by going from the non-public or home education systems and entering the EFA program would likely result in a grant of \$5,235 for each student. The average grant size for these students would likely match the average grant provided to a

district student. This would result in a net cost to the state as these students accessed the program through proposed removal of income requirements.

- Students leaving a charter public school would have a net cost savings to the state of \$4,365 to the state; \$9,600 (current average charter school rate) – \$5,235 (average EFA) = \$4,365.
- Student leaving a traditional district system would have a net cost to the state if the student left a community that had a statewide education property tax (SWEPT) grant in excess of the calculated cost of adequate education. This net cost would be \$5,235 per student.
- Students leaving a non-excess SWEPT community would see the adequacy grant go the EFA program for educating the student instead of the school district. This would result an approximate decrease of \$982 (\$6,217 - \$5,235) in state adequacy grants, and a decrease in local revenues per student. This would also result in a net cost to the state due to the EFA phase-out grant being paid. The EFA phase-out grant compensates districts at a rate of 50 cents on the dollar in year one and 25 cents in year two, for the cost of an adequate education grant portion only (\$5,248) for any student leaving the district and going to the EFA program. Therefore, this grant would cost on average \$2,624 for each student leaving a district (50 percent of \$5,248) in year one.

As students potentially leave traditional district schools and join the EFA program, districts may feel pressure to reduce their local expenditures to better fit the reduced population served. It is unknown the impact this would have on local expenditures, but this could potentially result in an indeterminable decrease.

AGENCIES CONTACTED:

Department of Education