HOUSE BILL 1512-FN

AN ACT limiting education freedom account funding to budgeted amounts.


COMMITTEE: Education

ANALYSIS

This bill limits the amounts of funds appropriated from the education trust fund to the education freedom account program to budgeted sums.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.
AN ACT limiting education freedom account funding to budgeted amounts.

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

1 Education Freedom Accounts Program; Funding. Amend RSA 194-F:11 to read as follows:

   194-F:11 Appropriation From Education Trust Fund. The amounts to fund any grants or transfers of funds authorized under this chapter are hereby appropriated to the department from the education trust fund created under RSA 198:39. 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. If the balance in the education trust fund, after the issuance of any such warrant, is less than zero, the comptroller shall transfer sufficient funds from the general fund to eliminate such deficit. The commissioner of the department of administrative services shall inform the fiscal committee and the governor and council of such balance. This reporting shall not in any way prohibit or delay the distribution of any grant or transfer of funds authorized under this chapter not exceed $19,800,000 for fiscal year 2024, and in subsequent fiscal years shall not exceed the amounts appropriated for such purpose in the biennial state operating budget.

2 Effective Date. This act shall take effect June 30, 2024.
AN ACT limiting education freedom account funding to budgeted amounts.

FISCAL IMPACT:  [ X ] State  [ ] County  [ ] Local  [ ] None

<table>
<thead>
<tr>
<th>Estimated State Impact - Increase / (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2024</td>
</tr>
<tr>
<td>Revenue</td>
</tr>
<tr>
<td>Revenue Fund(s)</td>
</tr>
<tr>
<td>Expenditures</td>
</tr>
<tr>
<td>Funding Source(s)</td>
</tr>
<tr>
<td>Appropriations</td>
</tr>
<tr>
<td>Funding Source(s)</td>
</tr>
</tbody>
</table>

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

METHODOLOGY:

This bill attempts to limit the amount of funds appropriated to the education freedom account (EFA) program to budgeted amounts. In the current state operating budget, HB 1 (chapter 106, laws of 2023) and HB 2 (chapter 79, laws of 2023), there is $19,851,804 appropriated in each FY 2024 and FY 2025, and under current law (RSA 194-F:11), any amount needed beyond those sums is continually appropriated to the Department of Education. This bill makes no change to the amounts appropriated in HB 1 and HB 2, but does eliminate the open appropriation, however the amended language in this bill still appears to provide an additional $19,800,000 in each fiscal year, beginning in FY 2024, for the EFA program. Therefore, it could be interpreted that under this bill, EFAs would be budgeted at $39,651,804 ($19,851,804 + $19,800,000) in each FY 2024 and FY 2025, without any open warrant for additional funds, if needed. The Department of Education, as of September 1, 2023, reports an approximate $22,129,200 cost for the EFA program in FY 2024.

AGENCIES CONTACTED:

Department of Education