

SB 193-FN - AS AMENDED BY THE HOUSE

02/23/2017 0500s  
3Jan2018... 2530h

2017 SESSION

17-0912  
04/05

SENATE BILL        ***193-FN***

AN ACT            establishing education freedom savings accounts for students.

SPONSORS:        Sen. Reagan, Dist 17; Rep. Pitre, Straf. 2

COMMITTEE:      Education

---

AMENDED ANALYSIS

This bill establishes education freedom savings accounts for children between 5 and 20 years of age and provides stabilization grants to certain school districts. The program is repealed effective July 1, 2023.

-----

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                         Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

SB 193-FN - AS AMENDED BY THE HOUSE

02/23/2017 0500s  
3Jan2018... 2530h

17-0912  
04/05

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Seventeen*

AN ACT establishing education freedom savings accounts for students.

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

1 1 New Chapter; Education Freedom Savings Accounts. Amend RSA by inserting after chapter  
2 194-D the following new chapter:

3 CHAPTER 194-E

4 EDUCATION FREEDOM SAVINGS ACCOUNTS

5 194-E:1 Definitions. In this chapter:

6 I. "Account" means an education freedom savings account established for an eligible student  
7 pursuant to this chapter.

8 II. "Commissioner" means the commissioner of the department of education.

9 III. "Department" means the department of education.

10 IV. "Eligible student" means a New Hampshire resident who is at least 5 years of age and  
11 not more than 20 years of age, who has not graduated from high school, and

12 (a)(1) Who is currently attending a New Hampshire public school, including a chartered  
13 public school, for a minimum of one year; or

14 (2) Who received an account in the prior year; or

15 (3) Who is entering kindergarten or first grade; and

16 (b)(1) Whose annual household income is less than or equal to 300 percent of the federal  
17 poverty guidelines as updated annually in the Federal Register by the United States Department of  
18 Health and Human Services under the authority of 42 U.S.C. section 9902(2); or

19 (2) Who is assigned to a school that for 2 consecutive years has been unable to  
20 demonstrate that it provides the opportunity for an adequate education pursuant to RSA 193-E:3-b;  
21 or

22 (3) Who has an individualized education program (IEP) or an accommodation plan  
23 under section 504 of the Rehabilitation Act of 1973; or

24 (4) Who applied and was not admitted to a chartered public school or whose  
25 application for an education tax credit scholarship pursuant to RSA 77-G was not funded.

26 V. "Nonpublic school" shall mean any public academy pursuant to RSA 194:23, II, or  
27 private school accredited through a recognized independent accreditation agency, school approved  
28 by a state education agency having an interstate compact with New Hampshire, or other school  
29 located in New Hampshire approved for school attendance pursuant to RSA 193:1, I(a) and (d). A  
30 nonpublic school shall:

**SB 193-FN - AS AMENDED BY THE HOUSE**

**- Page 2 -**

1 (a) Comply with statutes and regulations relating to agency approvals such as health,  
2 fire safety, and sanitation;

3 (b) Be incorporated under the laws of New Hampshire or the United States; and

4 (c) Administer an annual assessment in reading and language arts, mathematics, and  
5 science. The assessment may be any nationally recognized standardized assessment used to  
6 measure student academic achievement, shall be aligned to the school's academic standards, and  
7 shall satisfy the requirements of RSA 193-C:6. The school's annual assessment results shall be  
8 submitted to the commissioner.

9 VI. "Parent" means the natural or adoptive parent or legal guardian of an eligible student.

10 VII. "Postsecondary institution" means an institution, a college, university, or career school  
11 approved by the department.

12 VIII. "Program" means the education savings account program established in this chapter  
13 that will begin in the 2018-2019 school year.

14 IX. "Recognized independent accreditation agency" means an accrediting organization such  
15 as the New England Association of Schools and Colleges, National Association of Independent  
16 Schools, Independent Schools Association of Northern New England, Northern New England  
17 Conference of Seventh-day Adventists, Inc., or other accrediting agency recognized by the  
18 department that engages member schools in a comprehensive peer review accreditation process that  
19 provides assurance of quality academic standards and criteria, and measures academic  
20 improvement.

21 X. "Resident school district" means the public school district in which the eligible student  
22 resides.

23 XI. "Scholarship organization" means a charitable organization incorporated or qualified to  
24 do business in this state that:

25 (a) Is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal  
26 Revenue Code;

27 (b) Complies with applicable state and federal anti-discrimination and privacy laws;

28 (c) Is registered with the department of justice, director of charitable trusts; and

29 (d) Has been approved by the department of revenue administration for the purpose of  
30 issuing scholarships pursuant to RSA 77-G:5.

31 XII. "Treasurer" means the treasurer of the state of New Hampshire.

32 XIII. "Tutor" means an individual whose qualifications include skills, competencies, and  
33 knowledge to be demonstrated by evidence such as, but not limited to, college course work,  
34 documented professional experience, letters of recommendation, professional development hours or  
35 CSU's and artifacts of professional practice.

36 194-E:2 Program Eligibility.

37 I. There is established an education freedom savings account program. The program shall  
38 include grades K-12.

1 (a) The parent of an eligible student may receive a grant from a scholarship  
2 organization if the parent signs a contract with the scholarship organization to withdraw the  
3 student from public school and in which the parent agrees to provide an education for the eligible  
4 student in science, mathematics, language, government, history, health, reading, writing, spelling,  
5 the history of the constitutions of New Hampshire and the United States, and an exposure to and  
6 appreciation of art and music. Students who have an education freedom savings account grant  
7 shall be administered an annual assessment in reading and language arts, mathematics, and  
8 science as defined in RSA 193-C:6. Annual student assessment results shall be provided to the  
9 scholarship organization by the end of each school year and the scholarship organization shall make  
10 aggregate scores available to the commissioner. The assessment may be any nationally recognized  
11 standardized assessment used to measure student academic achievement and growth and that  
12 provides a normal curve equivalent score. A student who requests permission to take the annual  
13 assessment at his or her resident school district shall be granted permission to do so and the  
14 resident school district shall pay the costs associated with taking the assessment.

15 (b) Participation in the program shall have the same effect as a parental placement of  
16 their child under 20 U.S.C. section 1412(a)(10) of the Individuals with Disabilities Education Act  
17 (IDEA).

18 II. The parent of an eligible student who signs a contract with a scholarship organization  
19 agrees to use the funds deposited in an eligible student's account for any of the following qualifying  
20 educational expenses:

21 (a) Tuition for course fees at any public school, nonpublic school as defined in RSA 194-  
22 E:1,V, or post-secondary institution as defined in RSA 194-E:1,VII.

23 (b) Textbooks, curriculum, or supplemental materials, including computer hardware  
24 and software required to support the curriculum.

25 (c) Payment to a tutor or a tutoring facility.

26 (d) Fees for transportation to and from an educational service provider paid to a fee-for  
27 service transportation provider, except for special needs individualized education program (IEP)  
28 designated student transportation, not to exceed \$750 per school year.

29 (e) Tuition and fees for online learning programs and professional preparatory  
30 programs.

31 (f) Educational services or therapies from a licensed or certified practitioner or provider,  
32 including licensed or certified paraprofessionals or educational aides.

33 (g) Assistive devices if an eligible school, tutor, licensed or certified educational service  
34 practitioner or provider, or licensed medical professional verifies in writing that these items are  
35 essential for the student to meet annual, measurable goals.

36 (h) Fees for a nationally standardized norm-referenced achievement test, advanced  
37 placement examination, or any department approved exam such as, but not limited to, the SAT or  
38 ACT related to college post-secondary institution admission.

1 III. The parent of an eligible student, the scholarship organization and the department  
2 shall be provided copies of all signed agreements.

3 IV. The parent of an eligible student shall be required to annually renew the agreement to  
4 continue participation in the program.

5 V. Eligible students participating in the program may participate in curricular courses and  
6 co-curricular courses and programs pursuant to RSA 193:1-c. Students in the special school district  
7 within the department of corrections established in RSA 194:60 shall not be eligible students.

8 VI. An agreement shall be automatically terminated if the eligible student no longer resides  
9 in this state or returns to public school. Any funds remaining in the account shall be returned to  
10 the state treasury.

11 VII. The failure to enter into an agreement pursuant to this chapter for any school year for  
12 which an eligible student is required to attend a public school shall not preclude the parent of such  
13 student from entering into an agreement for a subsequent school year.

14 VIII.(a) The parent shall maintain accountability and responsibility for the education of  
15 their eligible student. Each provider, in consultation with students' parents or legal guardians and  
16 students where age-appropriate, shall establish academic growth goals for the student at the outset  
17 of each academic year and shall regularly measure students' academic growth throughout the  
18 school year. In measuring each student's progress toward achieving those goals throughout the  
19 school year, the provider may use a variety of assessment tools and participating students shall take  
20 either the statewide assessment test or a nationally norm-referenced test that measures learning  
21 gains.

22 (b) Upon receiving assessment results for 2 consecutive years that identify a student as  
23 not making satisfactory academic growth, the scholarship organization shall work with the parent  
24 and service providers to develop and implement an appropriate intervention plan. The intervention  
25 plan shall include a process for monitoring student growth and progress. The scholarship  
26 organization shall also review the use of education freedom savings account funds to ensure  
27 expenses best address the student's academic growth.

28 IX. The parent shall provide the scholarship organization with an annual educational  
29 evaluation that includes annual assessment results from either a nationally standardized norm-  
30 referenced achievement test, the statewide student assessment test, or other valid measurement  
31 tool mutually agreed upon by the parent and the commissioner, resident school district  
32 superintendent, or nonpublic school principal that documents the student's demonstration of  
33 educational progress at a level commensurate with the student's age and ability. The student shall  
34 be deemed to have successfully completed his or her annual evaluation upon meeting the following  
35 requirements:

36 (a) A certified teacher or a teacher currently teaching in a nonpublic school, who is  
37 selected by the parent, shall evaluate the student's educational progress upon review of a portfolio  
38 of records and materials including, but not limited to, a log which designates by title the reading

1 materials used; samples of writings, worksheets, workbooks, or creative materials used or developed  
2 by the student; and discussion with the parent or student; and

3 (b) The student shall take any nationally standardized norm-referenced achievement  
4 test designed to measure student academic achievement and growth that complies with RSA 194-  
5 E:2, I(a), administered by a person who meets the qualifications established by the provider or  
6 publisher of the test. Composite results at or above the fortieth percentile or growth in academic  
7 skills on such tests shall be deemed reasonable academic proficiency or satisfactory growth; or

8 (c) The student shall take a state student assessment test used by the resident school  
9 district. Composite results at or above the fortieth percentile or a normal curve equivalent score  
10 showing progress in academic skills as reflected on such state test shall be deemed reasonable  
11 academic proficiency or satisfactory academic learning growth; or

12 (d) The student shall be evaluated using any other valid measurement tool mutually  
13 agreed upon by the parent and the commissioner of education, resident district superintendent, or  
14 nonpublic school principal.

15 X. The parent shall maintain a copy of the evaluation.

16 194-E:3 Program Funding and Payment.

17 I. The scholarship organization shall notify the commissioner and the treasurer in writing  
18 of any eligible student whose parents have signed an agreement under RSA 194-E:2.

19 II. The commissioner shall calculate and the treasurer shall transfer to the scholarship  
20 organization an amount equivalent to 95 percent of the per pupil adequate education grant amount  
21 pursuant to RSA 198:40-a plus any differentiated aid for which the student is eligible, for deposit  
22 into the student's account. Differentiated aid for non-proficiency in third grade reading shall not be  
23 included in the amount determination.

24 III. The commissioner shall calculate and the treasurer shall transfer to the scholarship  
25 organization an amount equivalent to 50 percent of the per pupil adequate education grant amount  
26 pursuant to RSA 198:40-a for an eligible student entering kindergarten for deposit into the eligible  
27 student's account.

28 IV. The funding for an eligible student receiving home education shall be as provided in  
29 RSA 77-G:2, I(b).

30 V. Funds received pursuant to this program shall not constitute income taxable to the  
31 parent of the eligible student or to the eligible student.

32 VI. Pursuant to RSA 194-E:2, the state treasurer shall transfer funding to the eligible  
33 student's account established by the scholarship organization. The transfers shall be made in  
34 accordance with the distribution of adequate education grants under RSA 198:42.

35 VII. All eligible students' accounts shall be held in institutions qualified by the state  
36 treasurer.

37 VIII. A scholarship organization shall receive an amount equivalent to 5 percent of the  
38 adequate education grant for administrative expenses. For students eligible pursuant to RSA

1 198:40-a for differential aid, the scholarship organization shall receive an amount equivalent to 5  
2 percent of the differential aid for administrative expenses.

3 IX. The department or scholarship organization shall conduct an audit of an eligible  
4 student's account as needed to ensure compliance with this chapter.

5 X. The scholarship organization shall notify the department and the treasurer in writing of  
6 any eligible students who are non-compliant with the program requirements of RSA 194-E:2. The  
7 department shall review the recommendation of the scholarship organization and notify the parents  
8 of the non-compliance. After parental notice of non-compliance report, the department may hold a  
9 hearing at the request of the parents. The department shall remove any eligible student from the  
10 program if it determines the student is non-compliant with the programs eligibility requirements of  
11 RSA 194-E:2 or the department determines there are extenuating circumstances.

12 (a) The parent may appeal the decision pursuant to RSA 541 to the department.

13 (b) Any funds remaining in the account for a student deemed non-compliant shall be  
14 sent to the state treasury.

15 XI. At the time of the eligible student's graduation from high school the eligible student's  
16 account shall be closed, the parents notified, and any remaining funds shall be returned to the state  
17 treasury.

18 XII. The scholarship organization may prohibit a participating nonpublic school or  
19 education provider from the program and notify the department if the scholarship organization  
20 establishes that the participating school or education provider has:

21 (a) Routinely failed to comply with the accountability standards established in this  
22 chapter; or

23 (b) Failed to provide the eligible student with the educational services funded by the  
24 account.

25 XIII. The scholarship organization or the department shall refer cases of fraudulent misuse  
26 of funds to the attorney general for investigation and shall immediately suspend all payments from  
27 the account.

28 XIV. A nonpublic school or educational service provider pursuant to RSA 194-E:2 shall not  
29 share, refund, or rebate any program funds with the parent or eligible student in any manner.

30 XV. Parents may make payments for the costs not covered by the funds in their accounts.

31 XVI. A scholarship organization may receive and expend gifts, grants, and donations of any  
32 kind from any public or private entity to carry out the purposes of this chapter.

33 194-E:4 Scholarship Organization; Requirements. A scholarship organization shall:

34 I. Develop and maintain agreement forms in cooperation with the department.

35 II. Provide copies of agreements signed by parents of eligible students to the department  
36 and the treasurer.

37 III. Provide the unique pupil identifier and date of birth for each eligible student to the  
38 department if available. All entering kindergarten and first grade students who apply for the

**SB 193-FN - AS AMENDED BY THE HOUSE**  
**- Page 7 -**

1 program must obtain a unique pupil identifier from the department.

2 IV. In cooperation with the department determine, within 30 days of the completed  
3 application for an eligible student, eligibility for differentiated aid subject to any applicable state  
4 and federal laws.

5 V. Comply with all federal and state laws regarding student privacy.

6 VI. Review all receipts for fees and services pursuant to 194-E:2, II.

7 VII. Provide annual reports on the number of students participating in the program, the  
8 providers of services to students, and the value of the students' eligible accounts of the program  
9 funds to the department, chairman of the house education committee, and the chairman of the  
10 senate education committee.

11 VIII. Provide an annual report to the speaker of the house of representatives, the president  
12 of the senate, the chairman of the house education and finance committees, the chairman of the  
13 senate education and finance committees, the governor, the joint legislative oversight commission  
14 pursuant to RSA 194-E:6 and the department including:

15 (a) The number of eligible students with accounts.

16 (b) A list of nonpublic schools and educational service providers including the number of  
17 eligible students served per school and educational service provider.

18 (c) The value of eligible student account funds utilized for services during the year.

19 IX. Conduct an annual survey of parents of eligible students with accounts. The survey  
20 shall include, but not be limited to, the number of years the parent has been in the program, the  
21 relative satisfaction of the parent with the program, and suggestions of the parent for improvement.  
22 The survey shall be included in the annual report.

23 X. Conduct an independent annual audit of all accounts of eligible students.

24 194-E:5 School and Provider of Educational Services; Requirements.

25 I. Nonpublic schools, postsecondary institutions, and educational service providers shall  
26 comply with all federal and state laws regarding student privacy.

27 II. Nonpublic schools, postsecondary institutions, and educational service providers shall  
28 furnish receipts for eligible services pursuant to RSA 194-E:2, II to the parent and the scholarship  
29 organization.

30 III. The school district in which the eligible student resides shall provide a participating  
31 nonpublic school, post-secondary institution or educational service provider that has admitted an  
32 eligible student under this program with a copy of the student's school records, while complying  
33 with the Family Educational Rights and Privacy Act of 1974, 20 U.S.C. section 1232g, and state  
34 policies.

35 194-E:6 Stabilization Grant.

36 I. For each school district, the commissioner shall calculate the amount of the reduction in  
37 the adequate education grant resulting from students receiving a scholarship under this chapter  
38 and who were in attendance in the school district in the year prior to receiving a scholarship. If the

1 combined amount is greater than 1/4 of one percent of a school district's total voted appropriations  
2 for the year prior to the year in which the scholarship is received, the commissioner shall disburse a  
3 scholarship stabilization grant for the current fiscal year and the next 4 fiscal years to each such  
4 school district equal to the amount of the reduction in excess of 1/4 of one percent. This scholarship  
5 stabilization grant shall be included in the September 1 disbursement required pursuant to RSA  
6 198:42.

7 II. The department shall order the scholarship organization that provided accounts to  
8 students from districts that were awarded stabilization grants pursuant to paragraph I to conduct a  
9 survey of the financial effects of students receiving scholarships under this chapter, including the  
10 amount of the reduction, if any, in the adequate education grant amount and whether or not the  
11 scholarship program has resulted in economic hardship to the school district. The organization  
12 shall forward the results of this survey to the department and the school board of each district. The  
13 department shall post the results of this survey on its public Internet website.

14 194-E:7 Oversight Commission; Report.

15 I. There is hereby established an education freedom savings account oversight commission.  
16 The commission shall jointly meet at least twice a year and shall monitor the implementation of this  
17 chapter, and make recommendations for any legislative changes to the education freedom savings  
18 account program. The commission shall include 2 senators appointed by the president of the  
19 senate, 3 members of the house of representatives, including the chairpersons of the house finance  
20 and education committees, appointed by the speaker of the house of representatives, the  
21 commissioner of the department of education or designee, the administrator or chief executive  
22 officer of the scholarship organization, and one member of the state board of education appointed by  
23 the chairperson of the state board of education.

24 II. The commission shall provide a report on or before November 1 of each year to the  
25 general court including findings, recommendations, and any corrective or technical improvements  
26 that the education freedom savings account program may require. The scholarship organization  
27 shall develop and implement a plan to be approved by the commission that addresses corrective and  
28 technical recommendations made by the oversight commission.

29 III. The commission shall provide an education freedom savings account program review  
30 report which shall be released to the public on or before November 1, 2022 and to the general court  
31 recommending that:

32 (a) Legislation be submitted to the general court that the education freedom savings  
33 account program be renewed in whole, or

34 (b) Legislation be submitted to the general court that the education freedom savings  
35 account program be renewed, but with changes to correct findings or any other issues identified  
36 during the review process, or

37 (c) Legislation not be submitted to renew the education freedom savings account  
38 program and that the program shall be repealed effective July 1, 2023.

**SB 193-FN - AS AMENDED BY THE HOUSE**

**- Page 9 -**

1           194-E:8 Severability. If any provision of this chapter or the application thereof to any person or  
2 circumstances is held invalid, such invalidity shall not affect other provisions or applications of the  
3 chapter which can be given effect without the invalid provision or application, and to this end the  
4 provisions of this chapter are declared to be severable.

5           2 Repeal. RSA 194-E, relative to the education freedom savings account program, is repealed.

6           3 Effective Date.

7           I. Section 2 of this act shall take effect July 1, 2023.

8           II. The remainder of this act shall take effect 60 days after its passage.

**SB 193-FN- FISCAL NOTE**  
 AS AMENDED BY THE HOUSE (AMENDMENT #2018-2530h)

AN ACT establishing education freedom savings accounts for students.

**FISCAL IMPACT:**     State             County             Local             None

STATE:	Estimated Increase / (Decrease)			
	FY 2019	FY 2020	FY 2021	FY 2022
<b>Appropriation</b>	\$0	\$0	\$0	\$0
<b>Revenue</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
<b>Funding Source:</b>	<input checked="" type="checkbox"/> General	<input checked="" type="checkbox"/> Education	<input type="checkbox"/> Highway	<input type="checkbox"/> Other

**LOCAL:**

<b>Revenue</b>	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease
<b>Expenditures</b>	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease

**METHODOLOGY:**

This bill establishes education freedom savings accounts (ESA) for qualifying students. In order to be eligible for an ESA, a student must be a New Hampshire resident, be at least five, but no more than 20 years of age, not yet graduated from high school, and

- Who is currently attending a New Hampshire public school, including chartered public schools, for a minimum of one year, or
- Who received an ESA in the prior year, or
- Who is entering kindergarten or first grade AND
  - Whose annual household income is less than or equal to 300 percent of the federal poverty guidelines, or
  - Who is assigned to a school that for two consecutive years has been unable to demonstrate it provides the opportunity for an adequate education pursuant to RSA 193-E:3-b, or
  - Has an individual education program or accommodation plan, or
  - Who applied for and was not admitted to a chartered public school or whose application for an education tax credit scholarship, pursuant to RSA 77-G, was not funded.

If eligible for the program, parents may contract with a scholarship organization for an ESA,

which may be used for a variety of education expenses. Under this bill, ESAs are funded for kindergarten and grades 1-12 students at 50% and 95%, respectively, of the per pupil adequate education grant amount, plus any applicable differentiated aid (except for differentiated aid for non-proficiency in third grade reading). Funding for home education shall be as provided in the education tax credit scholarship program. Scholarship organizations shall receive 5% of an adequate education grant for administrative expenses. This bill also provides an additional stabilization grant in recognition of adequacy grant revenue lost attributable to ESA students who were in attendance the previous year. Stabilization grants will be calculated at the amount of lost revenue in excess of one quarter of one percent of a district's prior year total voted appropriations.

While it is not possible to determine the number of students that would be eligible and receive an ESA, the Department of Education has provided the following information, as well as an illustration of this bill's potential fiscal impact, based upon the stated assumptions:

- Scholarship organization administrative expenses (5%) come out of ESA amount (i.e., typical ESA would be 95% of adequacy cost total, resulting in a net 5% savings to the State).
- One percent of *all current public school and home school students* apply for and receive an education savings account. Other states with similar programs have experienced take up rates of one percent of *eligible students*.
- There is an indeterminable cost savings to public schools, to the extent students seek alternative education options with an ESA. Other states have estimated the variable cost of educating students at about 65-70% of the average per pupil cost and estimates with statewide New Hampshire data yield similar estimates for variable costs. Statewide estimates, however, do not consider that many small schools would likely have high per pupil fixed costs, therefore a 30% variable cost estimate is assumed.
- There would be a need for one full-time equivalent position to manage this program in the startup year. Future need for this position would be determined at the time of the biennium budget and either included or excluded from the budget each biennium.

The Department also considered the following data:

- In FY 2017, the average cost per pupil ranges from \$9,584.95-42,586.41 with the average being \$15,310.67, and an indeterminable amount of these costs being either fixed or variable.

- There are currently 135 non-public schools approved for attendance, with a total enrollment of 16,266. The Department does not have data relative to the resident town or city of these students.
- There are currently 174,424 students in grades K-12 enrolled in New Hampshire public schools as of October 1, 2017.
- The average daily membership (ADM) of grades K-12 in New Hampshire public schools for school year 2016-2017, for the purpose of calculating adequacy, with kindergarten counting as no more than ½, is 167,642.
- The total calculated cost of an adequate education for 2018 is \$750,489,331. Therefore, the average calculated cost of an adequate education per student is \$4,476.74.
- The average calculated cost of an adequate education, plus additional grant, per public chartered school student is \$7,479.38.
- The homeschool scholarship used for this calculation is \$2,762 pursuant to RSA 77-G.

<b><u>PLEASE NOTE DEPARTMENT OF EDUCATION ASSUMPTIONS USED ABOVE</u></b>	
<b><u>Factors Used</u></b>	
10/1/18 Enrollment	174,424
FY 2017 ADM (Kindergarten @ 0.5)	167,642
FY 2017 Charter ADM (K @ 0.5, Not Including VLACS*)	3,137
FY 2014 Homeschool Enrollment	5,914
FY 2018 Total Calculated Cost of an Adequate Education	\$750,489,331
FY 2017 ADM, Towns with SWEPT > Cost of Adequacy (K @ 0.5K)**	11,485
Average Calculated Cost of an Adequate Education per Student	\$4,477
Charter School Amount	\$6,922
Homeschool Amount	\$2,762
95% of Average Per Pupil Adequacy amount in 2018	\$4,253
Average Cost Per Pupil FY 2016/2017	\$15,311
<b><u>ESA Participation</u></b>	
1% of Students	1,676.42
1% of Charter Students	31.37
1% of Homeschool Students	59.14
1% of Students from Towns with SWEPT > Cost of Adequacy**	115
<b><u>State Impact</u></b>	
<i>District Students</i>	
Total Current Calculated Cost to State**	\$6,990,740
Total ESA Calculated Cost to State at 95%	<u>\$7,129,649</u>
Estimated Increase in State Expenditures	\$138,909
<i>Charter Students</i>	

Total Current Calculated Cost to State	\$217,147
Total ESA Calculated Cost to State at 95%	\$133,415
Estimated Decrease in State Expenditures	(\$83,732)
<i>Homeschool Students</i>	
Total Current Calculated Cost to State	\$0
Total ESA Calculated Cost to State at 95%	\$163,345
Estimated Increase in State Expenditures	\$163,345
Cost of Adequacy/ESA Net Subtotal	\$218,522
Scholarship Stabilization Grants	\$394,522
Cost of Additional DOE Position	\$92,000
Total Potential Cost to State (Net Impact)	\$705,044
<b>Local District Impact</b>	
Maximum Local Loss of Adequacy Aid	(\$6,990,740)
Scholarship Stabilization Grants	\$394,522
Maximum Local Loss in Revenue	(\$6,596,218)
Potential Decrease in Cost to School Districts	(\$7,700,134)

\* Virtual Learning Academy Charter School

\*\* Municipalities with statewide education property tax collections greater than their calculated cost of an adequate education retain the excess. Therefore, any loss of ADM to such a municipality would not result in an adequacy grant savings to the state to offset the cost of an ESA.

Any reduction in expenditures for adequate education grants to local school districts or public charter schools will be to the education trust fund. This bill does not specify the source of funds for the ESAs or scholarship stabilization grants. It is assumed any administration costs for the Department of Education would impact the general fund.

**AGENCIES CONTACTED:**

Department of Education