

# The Coalition Communities

Alton, Bridgewater, Carroll, Center Harbor, Dublin, Easton, Eaton, Franconia, Freedom, Grantham, Greenland, Hampton, Hampton Falls, Hanover

Hart's Location, Hebron, Holderness, Jackson, Lincoln, Marlow, Meredith, Moultonborough, Newbury, New Castle, New London, Newington

North Hampton, Pittsburg, Portsmouth, Pie, Sandwich, Seabrook, Sunnyside, Sunapee, Tiltonboro, Waterbury, Waterbury

To: Coalition Communities

From: Jane Ferrini

Re: 2018 Legislative Session Preview Regarding Study Committee and Retained Bills

Date: November 6, 2017

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Hello Coalition Communities:

I wanted to inform you about a few things before the start of the 2018 Legislative Session.

Education funding was addressed last year by the passage of HB356, a bill that created a Committee to study education funding and the cost of an opportunity for an adequate education. The Committee will be studying the education funding formula for a year and will render a report and proposed legislation before November 1, 2018. Any Committee that may recommend a change to the education funding formula is a Committee of interest to the Coalition Communities. I have attended most of the monthly Committee meetings which have consisted of presentations to the Committee primarily to provide background information on the very complex issue of education funding. The Committee has established a website that is populated with the minutes and all documents submitted for each meeting and I have provided the link below. I will continue to keep the Coalition Communities informed on the Committee's progress in 2018. <http://www.gencourt.state.nh.us/statstudcomm/details.aspx?id=1365&rb1=1&txtbillnumber=hb356>

The House Education Committee will vote on Thursday, November 8, 2017 on several bills retained by the Committee. If the House Education Committee votes Ought to Pass, these bills will come forward in the 2018 Legislative Session. The first is CACR7, a constitutional amendment which would allow the Legislature exclusive discretion on education funding. The Coalition Communities submitted written testimony in opposition to this Constitutional Amendment in January and I will be resubmitting the exact same testimony attached in advance of Thursday's hearing.

The other retained bill that will be voted on by the Committee on Thursday is SB 193, the "Voucher" bill, which I am sure most of you are aware of because it has been in the news. This bill would permit a private voucher program which would allow the diversion of base adequacy dollars from public schools to private schools. The attached website provides commentary regarding the bill and demonstrates how the passage of this bill might have a negative financial impact on certain communities. This bill may also raise constitutional issues that, if passed in the 2018 Legislative Session, may face legal challenge. <https://reachinghighernh.org/2017/10/30/potential-financial-impact-sb-193/>

There are currently 793 requests for bills for the 2018 Legislative Session. Several of those will address Education Funding and other issues of interest to the Coalition Communities. I will continue to track these bills and reach out to you when we need to be heard on those bills that will impact the Coalition Communities.

Please feel free to contact me if you have any further questions.

CACR 7 - AS INTRODUCED

2017 SESSION

17-0319

06/04

CONSTITUTIONAL AMENDMENT

CONCURRENT RESOLUTION **7**

RELATING TO: public education.

PROVIDING THAT: the general court shall have the authority to define standards of accountability, mitigate local disparities in educational opportunity and fiscal capacity, and have full discretion to determine the amount of state funding for education.

SPONSORS: Rep. Itse, Rock. 10; Rep. Hill, Merr. 3; Rep. McGuire, Merr. 29; Rep. Hoell, Merr. 23; Rep. Spillane, Rock. 2; Sen. Reagan, Dist 17

COMMITTEE: Education

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ANALYSIS

This constitutional amendment concurrent resolution provides that the general court shall have the authority to define standards for education, establish standards of accountability, and mitigate local disparities in educational opportunity and fiscal capacity, and have full discretion to determine the amount of state funding for education.

.....

Explanation: Matter added to current law appears in ***bold italics***.  
Matter removed from current law appears [~~in brackets and struck through.~~]  
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type

CACR 7 - AS INTRODUCED

17-0319

06/04

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Seventeen*

CONCURRENT RESOLUTION PROPOSING CONSITUTIONAL AMENDMENT

RELATING TO: public education.

PROVIDING THAT: the general court shall have the authority to define standards of accountability, mitigate local disparities in educational opportunity and fiscal capacity, and have full discretion to determine the amount of state funding for education.

*Be it Resolved by the House of Representatives, the Senate concurring, that the Constitution of New Hampshire be amended as follows:*

1 I. That the second part of the constitution be amended by inserting after article 5-b the  
2 following new article:

3 [Art.] 5-c [Public Education.] In fulfillment of the provisions with respect to education set forth  
4 in Part II, Article 83, the General Court shall have the authority and full discretion to define  
5 reasonable standards for elementary and secondary public education, to establish reasonable  
6 standards of accountability therefor, and to mitigate local disparities in educational opportunity and  
7 fiscal capacity. Further, in the exercise thereof, the General Court shall have full discretion to  
8 determine the amount of, and methods of raising and distributing, State funding for education.

9 II. That the above amendment proposed to the constitution be submitted to the qualified  
10 voters of the state at the state general election to be held in November, 2018.

11 III. That the selectmen of all towns, cities, wards and places in the state are directed to  
12 insert in their warrants for the said 2018 election an article to the following effect: To decide  
13 whether the amendments of the constitution proposed by the 2017 session of the general court shall  
14 be approved.

15 IV. That the wording of the question put to the qualified voters shall be:  
16 "Are you in favor of amending the second part of the constitution by inserting after article 5-b a new  
17 article to read as follows:

18 [Art.] 5-c [Public Education.] In fulfillment of the provisions with respect to education set forth  
19 in Part II, Article 83, the General Court shall have the authority and full discretion to define  
20 reasonable standards for elementary and secondary public education, to establish reasonable  
21 standards of accountability therefor, and to mitigate local disparities in educational opportunity and  
22 fiscal capacity. Further, in the exercise thereof, the General Court shall have full discretion to  
23 determine the amount of, and methods of raising and distributing, State funding for education."

24 V. That the secretary of state shall print the question to be submitted on a separate ballot  
25 or on the same ballot with other constitutional questions. The ballot containing the question shall  
26 include 2 squares next to the question allowing the voter to vote "Yes" or "No." If no cross is made

**CACR 7 7 - AS INTRODUCED**  
**- Page 2 -**

1 in either of the squares, the ballot shall not be counted on the question. The outside of the ballot  
2 shall be the same as the regular official ballot except that the words “Questions Relating to  
3 Constitutional Amendments proposed by the 2017 General Court” shall be printed in bold type at  
4 the top of the ballot.

5 VI. That if the proposed amendment is approved by  $2/3$  of those voting on the amendment,  
6 it becomes effective when the governor proclaims its adoption.

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To: Chairman Ladd and Members of the House Education Committee

From: Jane Ferrini, on behalf of the Coalition Communities\*

Re: CACR 7, as amended

Date: January 20, 2017

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Chairman Ladd and Members of the House Education Committee:

The Coalition Communities, a group of communities that are former "donor" communities, do not support CACR7 as amended. By giving the Legislature "exclusive" discretion on education funding, CACR7, if passed, could permit future Legislators to vote not to fund education and potentially adopt an education funding scheme that could create the return of "donor" communities. Further, CACR7 appears to remove judicial oversight, which would be a violation of the Separation of Powers as set forth in the Constitution of New Hampshire, Part I, [Art] 37.

For these reasons, the Coalition Communities do not support CACR7 as amended and request Members of the House Education Committee to vote it Inexpedient to Legislate.

Thank you for your attention and consideration.

Sincerely,



Jane Ferrini, on behalf of the Coalition Communities

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Portsmouth, NH 03801

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\*Alton, Bridgewater, Carroll, Center Harbor, Dublin, Easton, Eaton, Franconia, Freedom, Grantham, Greenland, Hampton, Hampton Falls, Hanover, Hart's Location, Hebron, Holderness, Jackson, Lincoln, Marlow, Meredith, Moultonborough, Newbury, New Castle, New London, Newington, North Hampton, Pittsburg, Portsmouth, Rye, Sandwich, Seabrook, Sugar Hill, Sunapee, Tuftonboro, Waterville Valley

SB 193-FN - AS AMENDED BY THE SENATE

02/23/2017 0500s

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

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ANALYSIS

This bill establishes education freedom savings accounts for children between 5 and 20 years of age.

.....

Explanation: Matter added to current law appears in ***bold italics***.  
Matter removed from current law appears [~~in brackets and struck through.~~]  
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 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 is:

12 (a) Currently attending a New Hampshire public school, including a chartered public  
13 school, and for whom the adequate education grant in the next school year would be reduced if the  
14 student were removed from the average daily membership calculation; or

15 (b) A kindergarten student; or

16 (c) Receiving home education pursuant to RSA 193-A.

17 V. "Nonpublic school" shall mean any public academy or private school approved for  
18 attendance by the department.

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

20 VII. "Postsecondary institution" means an institution within the university system of New  
21 Hampshire or the community college system of New Hampshire.

22 VIII. "Program" means the education savings account program established in this chapter.

23 IX. "Resident school district" means the public school district in which the eligible student  
24 resides.

25 X. "Scholarship organization" means a charitable organization incorporated or qualified to  
26 do business in this state that:

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

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

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

31 (d) Has been approved by the department of revenue administration for the purpose of

1 issuing scholarships pursuant to RSA 77-G:5.

2 XI. "Treasurer" means the treasurer of the state of New Hampshire.  
3 194-E:2 Program Eligibility.

4 I. There is established an education freedom savings account program. The parent of an  
5 eligible student may receive a grant from a scholarship organization if the parent signs a contract  
6 with the scholarship organization in which the parent agrees to provide an education for the eligible  
7 student in science, mathematics, language, government, history, health, reading, writing, spelling,  
8 the history of the constitutions of New Hampshire and the United States, and an exposure to and  
9 appreciation of art and music.

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

13 (a) Tuition for course fees at any public school, chartered public school, nonpublic  
14 school, or program approved by the department pursuant to RSA 186-C:5.

15 (b) Textbooks, curriculum, or supplemental materials required to administer the  
16 curriculum.

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

18 (d) Fees for transportation to and from an educational service provider paid to a fee-for-  
19 service transportation provider, not to exceed \$750 per school year.

20 (e) Tuition and fees for online learning programs.

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

23 (g) Tuition and fees at a postsecondary institution.

24 (h) Computer hardware and software and other assistive devices if an eligible school,  
25 licensed or certified tutor, licensed or certified educational service practitioner or provider, or  
26 licensed medical professional verifies in writing that these items are essential for the student to  
27 meet annual, measurable goals.

28 (i) Fees for a nationally standardized norm-referenced achievement test, advanced  
29 placement examination, or any exam related to college admission.

30 (j) Contributions to a Coverdell education savings account established under 26 U.S.C.  
31 section 530 for the benefit of the eligible student, except that funds used for elementary or  
32 secondary education expenses may be used for expenses otherwise allowed under this section.

33 III. The parent of an eligible student shall be provided copies of all signed agreements.

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

36 V. No eligible student shall receive a grant under this chapter and an education tax credit  
37 scholarship pursuant to RSA 77-G in the same school year.

38 VI. Eligible students participating in the program may participate in curricular and co-



1 curricular courses and programs pursuant to RSA 193:1-c. Students in the special school district  
2 within the department of corrections established in RSA 194:60 shall not be eligible students.

3 VII. An agreement shall be automatically terminated if the eligible student no longer  
4 resides in this state, and any funds remaining in the account shall be returned to the state treasury.

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

8 194-E:3 Program Funding and Payment.

9 I. The scholarship organization shall notify the commissioner of any eligible student whose  
10 parents have signed an agreement under RSA 194-E:2.

11 II. The commissioner shall transfer to the scholarship organization 90 percent of the per  
12 pupil adequate education grant amount pursuant to RSA 198:40-a, plus any differentiated aid,  
13 which would be disbursed to the municipality in which the student resides, for deposit into the  
14 eligible student's account.

15 III. The commissioner shall transfer to the scholarship organization 50 percent of the per  
16 pupil adequate education grant amount pursuant to RSA 198:40-a for an eligible student entering  
17 kindergarten for deposit into the eligible student's account.

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

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

22 VI. In exchange for the parent's agreement pursuant to RSA 194-E:2, the state treasurer  
23 shall transfer funding to the eligible student's account established by the scholarship organization.  
24 The transfers shall be made in accordance with the distribution of adequate education grants under  
25 RSA 198:42.

26 VII. All eligible student accounts shall be held in institutions qualified by the state  
27 treasurer.

28 VIII. A scholarship organization shall receive 5 percent of the adequate education grant,  
29 including any differentiated aid for which the student would be eligible pursuant to RSA 198:40-a,  
30 for administrative expenses.

31 IX. The department may conduct an audit of an eligible student's account as needed to  
32 ensure compliance with this chapter.

33 X. The department may remove any eligible student from the program for non-compliance  
34 with program eligibility requirements of RSA 194-E:2.

35 (a) The parent may appeal the decision of the scholarship organization to the  
36 department.

37 (b) Any funds remaining in the account for that student shall be sent to the state  
38 treasury.

1 XI. At the time of the eligible student's graduation from a postsecondary institution or after  
2 a period of 2 consecutive years after high school graduation in which the eligible student does not  
3 enroll in a postsecondary institution, the eligible student's account shall be closed, the parents  
4 notified, and any remaining funds shall be returned to the state treasury.

5 XII. The scholarship organization or the department may refer cases of fraudulent misuse  
6 of funds to the attorney general for investigation.

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

9 XIV. Parents may make payments for the costs of educational programs and services not  
10 covered by the funds in their accounts.

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

13 194-E:4 Scholarship Organization; Requirements. A scholarship organization shall:

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

15 II. Provide copies of agreements signed by parents of eligible students to the department.

16 III. Comply with all federal and state laws regarding student privacy.

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

18 V. Provide biannual reports on the number of students participating in the program, the  
19 providers of services to students, and the value of the program funds to the department, chairman  
20 of the house education committee, and the chairman of the senate education committee.

21 VI. Provide an annual report to the speaker of the house of representatives, the president of  
22 the senate, the chairman of the house education committee, the chairman of the senate education  
23 committee, the governor, and the department including:

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

25 (b) A list of schools and service providers including the number of eligible students  
26 served.

27 (c) The value of program funds utilized for services during the year.

28 VII. Conduct an annual survey of parents of eligible students with accounts. The survey  
29 shall include the number of years the parent has been in the program, the relative satisfaction of  
30 the parent with the program, and suggestions of the parent for improvement. The survey shall be  
31 included in the annual report.

32 VIII. Conduct an annual audit of all accounts of eligible students.

33 194-E:5 School and Provider of Educational Services; Requirements.

34 I. Schools and educational service providers shall comply with all federal and state laws  
35 regarding student privacy.

36 II. Schools and educational service providers shall furnish receipts for eligible services  
37 pursuant to RSA 194-E:2, II to the parent and the scholarship organization.

38 III. The school district in which the eligible student resides shall provide a participating

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

**- Page 5 -**

1 school or educational service provider that has admitted an eligible student under this program  
2 with a copy of the student's school records, while complying with the Family Educational Rights  
3 and Privacy Act of 1974, 20 U.S.C. section 1232 (g), and state policies.

4 194-E:6 Severability. If any provision of this chapter or the application thereof to any person or  
5 circumstances is held invalid, such invalidity shall not affect other provisions or applications of the  
6 chapter which can be given effect without the invalid provision or application, and to this end the  
7 provisions of this chapter are declared to be severable.

8 2 Effective Date. This act shall take effect 60 days after its passage.

**SB 193-FN- FISCAL NOTE  
AS INTRODUCED**

AN ACT establishing education freedom savings accounts for students.

**FISCAL IMPACT:**     State             County             Local             None

STATE:	Estimated Increase / (Decrease)			
	FY 2018	FY 2019	FY 2020	FY 2021
<b>Appropriation</b>	\$0	\$0	\$0	\$0
<b>Revenue</b>	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease
<b>Expenditures</b>	Indeterminable	Indeterminable	Indeterminable	Indeterminable
<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>	\$0	\$0	\$0	\$0

**METHODOLOGY:**

This bill establishes the education freedom savings account program to be administered by the Department of Education. The program allows the parent of an eligible child to contract and receive a grant from a scholarship organization to pay for qualifying educational expenses.

Under this bill, scholarship organizations would notify the Department when contracts have been made with parents and the Department shall transfer 90 percent of the per pupil adequate education grant amount pursuant to RSA 198:40-a for grade 1-12 students and 50 percent for kindergarten students, which would be distributed to the municipality in which the student resides, to the student's account, as well as five percent of the per pupil adequate education grant to the scholarship organization for administrative expenses. The Department of Education is unable to estimate how many eligible students would participate in this program and therefore is unable to estimate this bill's impact on state education trust expenditures or local revenues.

This bill authorizes the Department of Revenue Administration to conduct audits of student accounts to ensure compliance, which may increase Department expenditures by an indeterminable amount in FY 2018 and each year thereafter. Also, this bill does not allow for a participating in the education freedom savings account program to receive an education tax credit scholarship and therefore to the extent this program reduces utilization of the education

tax credit, general fund and education trust fund revenues could decrease.

**AGENCIES CONTACTED:**

Department of Education and Department of Revenue Administration