

## **FY2012 Adequate Education Aid**

In the 2011 legislative session, HB337FN amended the formula for calculation and distribution of Adequate Education Aid, repealed Fiscal Capacity Disparity Aid and provided stabilization grants to certain municipalities. These changes take effect beginning with 2011-2012 school year. RSA 198:38 through 198:41 and RSA 198:46 as amended specify how aid will be calculated and distributed.

### **Cost of an Opportunity for an Adequate Education**

#### Students:

The Cost of an Adequate Education has been calculated using FY09 (08-09 school year) data for students in grades kindergarten through grade 12 who were legal residents of New Hampshire and:

- Attended a school operated by their resident district
- Were tuitioned by the resident district to a district operated school in NH or another state, or
- Were tuitioned by the resident district to a non-public school, such as a special education program.
- Home schooled students, even those taking a few courses at a public school, are not included.
- Preschool students are not included.
- The cost for students attending charter schools is addressed in RSA 194-B:11.

Average daily membership (ADM) has been used to count the students. A student who is enrolled in school for the entire year has an ADM of 1.00 and a student who transfers between schools is counted as a fractional ADM at each school. Kindergarten students are counted as no more than .50.

#### Cost of Adequacy by Municipality:

The Department of Education calculates the Cost of Adequacy for students in each district-operated public school in NH and for students who attend certain other schools, such as privately operated special education programs or public schools in bordering states. The Department then sorts those students and their cost allocations by municipality of residence.

The base per pupil cost is \$3,450 per ADM-R, but certain individual factors (differentiated aid) increase that cost per student. These factors and rates are as follows:

- \$1,725 for free and reduced-price meal eligible student
- \$1,856 for a special education student
- \$675 for an English Language Learner receiving English Language instruction
- \$675 for each 3<sup>rd</sup> grade pupil who has not tested at proficient level or above in the reading component of the state assessment and who is not eligible to receive additional aid as a special education, English as a second language, or free or reduced-price meal eligible student.

#### Statewide Education Property Tax Assessment:

Each December, the Department of Revenue Administration notifies each municipality of the amount it must raise through the Statewide Education Property Tax (SWEPT) for the following school year. The Department does this by first determining the rate needed to raise approximately \$363 million statewide. When applied to April 1, 2009 equalized valuations without utilities, the rate is \$2.325 per thousand. Each municipality must raise its proportional share of the total. This process is described in RSA 76:3 and RSA 76:8. Municipalities send the revenue raised by the Statewide Education Property Tax directly to school districts. Within cooperative districts the amount raised is credited to the individual towns.

Determination Preliminary Grants:

Each municipality's grant is determined by adding the base cost and any relevant factors to determine the Cost of Adequacy Aid, then subtracting the Statewide Education Property Tax assessment.

Determination of Adequate Education Grants for FY12 and FY13:

For the biennium ending June 30, 2013, the Department of Education shall not distribute a total education grant on behalf of all pupils who reside in a municipality that exceeds that municipality's total education grant in the second year of the previous biennium, FY11.

For fiscal year FY 12 and FY13, the Department of Education shall identify all municipalities in which the FY12 total education grant will be less than the FY11 total education grant. Those identified municipalities shall receive a stabilization grant equal to 100 percent of the decrease.

Grant payment schedule is 20% by September 1, 20% by November 1, 30% by January 1, and 30% by April 1.

FY13 Statewide Education Property Tax

The Statewide Education Property Tax will change due to using the April 1, 2010 Equalized Valuations without Utilities.