

SB 539-FN-LOCAL – AS AMENDED BY THE HOUSE

03/13/08 0803s

03/20/08 1077s

16Apr2008... 1269h

2008 SESSION

08-2923

04/10

SENATE BILL ***539-FN-LOCAL***

AN ACT relative to the cost of an adequate education and provision of fiscal capacity disparity aid.

SPONSORS: Sen. Estabrook, Dist 21; Sen. Foster, Dist 13; Sen. D'Allesandro, Dist 20; Rep. Rous, Straf 7; Rep. Foose, Merr 1; Rep. Reeve, Belk 4

COMMITTEE: Education

AMENDED ANALYSIS

This bill:

I. Determines the per pupil cost of the opportunity for an adequate education which includes differentiated aid distributed to schools based on the number of pupils receiving special education services, or eligible for a free or reduced-price lunch, or who are English language learners.

II. Requires schools receiving differentiated aid to use it to implement enhanced programs known to improve pupil achievement.

III. Establishes a joint legislative oversight committee on accountability for an adequate education.

IV. Provides fiscal capacity disparity aid, in addition to aid for the cost of the opportunity for an adequate education, based on a municipality's equalized valuation, including utilities, per pupil and median family income.

V. Provides fiscal capacity disparity aid to state-approved charter school.

VI. Provides transitional education aid for the biennium ending June 30, 2011 to certain municipalities in which the estimated fiscal year 2010 adequate education grant is 85 percent or less than its fiscal year 2009 adequate education grant.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Eight

AN ACT relative to the cost of an adequate education and provision of fiscal capacity disparity aid.

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

1 Statement of Purpose.

I. The general court finds that the cost of the opportunity for an adequate education for public school students, as established in this act, is based upon the definition of the opportunity for an adequate education enacted in the 2007 Laws of New Hampshire, chapter 270. The methodologies for costing, determination of resources, and elements of cost included in this act are intended to and do fulfill the state's duty under the Encouragement of Literature clause of the New Hampshire constitution to deliver the opportunity for an adequate education.

II. The individual components of the cost were selected on the basis of their effectiveness in delivering educational opportunity and after extensive review, debate and discussion by the joint legislative oversight committee on costing an adequate education and the general court. The legislative process consisted of obtaining information from professional educators, government officials, education policy and finance experts, and the public on the establishment of the cost of an adequate education.

III. The joint legislative oversight committee on costing issued detailed findings and recommendations on the composition of the cost of an adequate education and how the funds for an adequate education should be allocated and accounted for in order to ensure that the educational needs of all public schools students are met. These findings and recommendations were submitted to the general court and are an integral basis of the costing determinations reflected in this act.

IV. The cost of the opportunity for an adequate education consists of several elements. All such elements must be provided in order to ensure the delivery of the state's constitutional duty. The universal cost represents the per pupil resources necessary to provide an adequate education where no additional aid is necessary to cover the increased costs of providing that

opportunity to students who have special education needs, who have limited English language proficiency or are in schools with significant concentrations of economically disadvantaged students. The universal cost represents the costs attributable only to the subset of education that is included in the definition in RSA 193-E:2-a.

V. The general court further finds that additional aid, referred to as differentiated aid, is also required to fulfill the state's constitutional duty to provide the opportunity for an adequate education for certain students. This act allocates such differentiated aid to special education students, English language learners, and students in schools with significant concentrations of economically disadvantaged students, the latter category based upon eligibility for federally-provided free and reduced-price lunch programs and the concentration of such eligible students in a school.

VI. In determining the need for differentiated aid in addition to providing the universal cost for an adequate education, the general court recognizes that the resources needed to provide the opportunity for an adequate education are not the same for all students or at all schools.

VII. The general court recognizes that certain communities lack the relative wealth and fiscal capacity to fund local education to the extent desired by those communities. For this reason, the general court finds it appropriate to provide money above the cost of the opportunity for an adequate education based upon the fiscal capacity and relative need of certain communities.

VIII. This act is not intended to stand in isolation from the other statutes and rules relating to educating New Hampshire students as required by state and federal law.

2 Commissioner's Warrant. RSA 76:8, II is repealed and reenacted to read as follows:

II. The commissioner shall issue a warrant under the commissioner's hand and official seal for the amount computed in paragraph I to the selectmen or assessors of each municipality by December 15 directing them to assess such sum and pay it to the municipality for the use of the school district or districts and, if there is an excess education tax payment due pursuant to RSA 198:46, directing them to assess the amount of the excess payment and pay it to the department of revenue administration for deposit in the education trust fund. Such sums shall be assessed at such times as may be prescribed for other taxes assessed by such selectmen or assessors of the municipality.

3 Adequate Education. Amend the subdivision heading preceding RSA 198:38 to read as follows:

~~[State Aid for Educational Equality]~~ **Adequate Education**; Education Trust Fund.

4 Adequate Education; Definitions. RSA 198:38 is repealed and reenacted to read as follows:

198:38 Definitions.

I. "Average daily membership in attendance" or "ADMA" means the aggregate half-day membership of pupils in kindergarten through grade 12 attending schools operated by a school district divided by the number of half-days of instruction offered. The average daily membership in attendance shall include any pupil who is a resident of New Hampshire educated at public expense.

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

III. "Department" means the department of education.

IV. "Determination year" means the fiscal year that was 3 years prior to the fiscal year for which aid is to be determined. Unless otherwise indicated, determination year data shall be used to calculate aid.

V. "Educationally disabled child" or "educationally disabled pupil" shall mean "educationally disabled child" as defined in RSA 186-C:2, I.

VI. "English language learner" means a child who has a predominant language other than English or who is educationally disadvantaged by a limited English proficiency, and who is receiving regularly scheduled English language instruction.

VII. "Pupils eligible for a free or reduced-price meal" means pupils in grade 1 through grade 12 who are eligible for the federal free or reduced-price meal program.

VIII. "School district" means school district as defined in RSA 194:1 and shall include cooperative school districts as defined in RSA 195:1, I.

5 Cost of an Opportunity for an Adequate Education. RSA 198:40 -a is repealed and reenacted to read as follows:

198:40-a Cost of an Opportunity for an Adequate Education.

I. Beginning July 1, 2009, and for every bi ennium thereafter, the annual cost of providing the opportunity for an adequate education as defined in RSA 193 -E:2-a shall be \$3,450 per pupil attending a public school, plus any applicable differentiated aid for which a pupil is eligible. Differentiated aid shall be calculated as follows:

(a) An additional \$431 per pupil in kindergarten through grade 12 eligible for the federal free and reduced-price meal program who attends a public school in which less than 12 percent of the pupils reported in the school's ADMA in the determination year are eligible for the federal free and reduced-price meal program.

(b) An additional \$863 per pupil in a public school in which at least 12 percent but less than 24 percent of pupils reported in the school's ADMA in the de termination year, are eligible for the federal free or reduced-price meal program.

(c) An additional \$1,725 per pupil in a public school in which at least 24 percent but less than 36 percent of pupils reported in the school's ADMA in the determination year , are eligible for the federal free or reduced-price meal program.

(d) An additional \$2,588 per pupil in a public school in which at least 36 percent but less than 48 percent of the pupils reported in the school's ADMA in the determination year, are eligible for the federal free or reduced-price meal program.

(e) An additional \$3,450 per pupil in a public school in which 48 percent or more of the pupils reported in the school's ADMA in the determination year, are eligible for the federal free or reduced-price meal program.

II. In addition to the amount in paragraph I, an additional \$675 for each pupil reported in the public school's ADMA in the determination year who is an English language learner and who is receiving English language instruction.

III. In addition to the amounts in paragraphs I and II, an additional \$1,856 for each pupil reported in the public school's ADMA in the determination year who is receiving special education.

IV.(a) The sum total calculated under paragraphs I-III of this section shall be used to determine the cost of an adequate education which shall be used in each year of the biennium.

(b) Prior to or coinciding with the first disbursement of each fiscal year under RSA 198:42, the department shall notify a school district of the total amount of funds that have been allocated for each school within its jurisdiction during the fiscal year based on the sum of the school district's adequate education grant amount plus the amount available to the school district from the education property tax. In addition, the department shall furnish to each municipality a report showing the municipality's cost of an adequate education sorted by a pupil's municipality of residence.

V. The department shall notify school districts of the estimated amounts of grants by the November 15 preceding the fiscal year for which aid is determined. The commissioner shall provide to the general court all data or reports requested by the general court in a form which the general court determines will facilitate the calculations required in this section.

6 Use of Differentiated Aid. RSA 198:40-b is repealed and reenacted to read as follows:

198:40-b Use of Differentiated Aid.

I. A school district which receives differentiated aid under RSA 198:40 -a, I(b)-(e) for schools within its jurisdiction, shall separately account for such aid as part of its financial accounting procedures. Differentiated aid shall only be used to provide enhanced programs in schools within its jurisdiction for which such aid has been allocated that are known to improve pupil achievement, including but not limited to: pre-kindergarten programs, full-day kindergarten programs, extended learning time, professional development opportunities for teachers, hiring of additional instructional and non-instructional personnel, programs designed to reduce class size, parental involvement programs, additional technology resources, drop out prevention programs, principal incentive programs, and curriculum enrichment programs. The school district shall determine which programs are most needed and most appropriate for their pupils. The programs provided under this paragraph shall supplement but not supplant existing programs. Such enhanced programs shall be approved by the department, and the department shall annually review and update the list of programs.

II. A school district which receives differentiated aid under RSA 198:40 -a, I(b)-(e) shall annually submit a report to the commissioner documenting for each school within its jurisdiction for which such aid has been allocated, the enhanced programs selected for implementation, an explanation of the specific educational needs which the program is intended to address, an explanation of how the program will be implemented in the school, and an estimate of the cost of implementing the program.

III. A municipality which receives differentiated aid under RSA 198:40 -a shall direct such aid to its school district for use in the schools for which it was allocated.

7 School Money; Fiscal Capacity Disparity Aid. RSA 198:40-c is repealed and reenacted to read as follows:

198:40-c Fiscal Capacity Disparity Aid.

I. In addition to aid for the cost of the opportunity for an adequate education provided under RSA 198:40-b, each fiscal year the department shall provide fiscal capacity disparity aid to a municipality's school districts and to charter schools approved under RSA 194-B:3-a as follows:

(a) The department of revenue administration shall calculate the equalized valuation per pupil for each municipality in the state and shall sort the results into quartiles based on equalized valuation per pupil and shall divide all quartiles in half.

(b) A municipality with an equalized valuation per pupil in the lower half of the lowest quartile and which has a median family income which is less than the state average median family income shall receive fiscal capacity disparity aid in the amount of \$2,000 multiplied by the municipality's average daily membership in residence.

(c) A municipality with an equalized valuation per pupil in the upper half of the lowest quartile which has a median family income which is less than the state average median family income shall receive fiscal capacity disparity aid in the amount of \$1,250 multiplied by the municipality's average daily membership in residence shall be distributed pursuant to RSA 198:42.

(d) A charter school approved under RSA 194-B:3-a shall receive \$2,000 per pupil multiplied by the number of pupils enrolled. The calculation of charter school enrollment and aid distribution shall be pursuant to RSA 194-B:11, I(c).

II. Except as otherwise provided in this section, aid shall be distributed to RSA 198:42.

III. In this section:

(a) "Equalized valuation per pupil" means a municipality's equalized valuation, including properties subject to taxation under RSA 82 and RSA 83-F, as determined by the department of revenue administration, that was the basis for the local tax assessment in the determination year, divided by the school district's average daily membership in residence, as defined in RSA 189:1-d for the determination year, provided that no kindergarten pupil shall count as more than 1/2 day attendance per calendar day.

(b) "Median family income" means the most recent census data published for New Hampshire counties and municipalities by the United States Census Bureau, United States Department of Commerce, as of October 1 preceding the beginning of the biennium for which aid is to be determined.

8 New Section; Consumer Price Index Adjustment. Amend RSA 198 by inserting after section 40-c the following new section:

198:40-d Consumer Price Index Adjustment. Beginning July 1, 2011 and every biennium thereafter, the department of education shall adjust the sum of the amounts determined under RSA 198:40-a and 198:40-b, based on the average change in the Consumer Price Index

for All Urban Consumers, Northeast Region, using the “services less medical care services” special aggregate index, as published by the Bureau of Labor Statistics, United States Department of Labor. The average change shall be calculated using the 3 calendar years ending 18 months before the beginning of the biennium for which the calculation is to be performed.

9 Transitional Education Aid; Biennium Ending June 30, 2011.

I. A municipality in which the estimated fiscal year 2010 adequate education grant is 85 percent or less than its fiscal year 2009 adequate education grant shall be eligible for transitional education aid for the fiscal year ending June 30, 2010 as follows:

(a) A municipality in the lower half of the lowest quartile with a median family income less than 125 percent of the state average median family income, shall receive transitional educational aid in the amount of 50 percent of the difference between its fiscal year 2009 adequate education grant and its fiscal year 2010 adequate education grant, less any fiscal capacity disparity aid received by the municipality in the 2010 fiscal year pursuant to RSA 198:40-c.

(b) A municipality in the lower half of the lowest quartile with a median family income between 125 percent and 150 percent of the state average median family income, shall receive transitional education aid in the amount of 25 percent of the difference between its fiscal year 2009 adequate education grant and its fiscal year 2010 adequate education grant, less any fiscal capacity disparity aid received by the municipality in the 2010 fiscal year pursuant to RSA 198:40-c.

(c) A municipality in the upper half of the lowest quartile with a median family income less than 110 percent of the state average median family income, shall receive transitional education aid in the amount of 50 percent of the difference between its fiscal year 2009 adequate education grant and its fiscal year 2010 adequate education grant, less any fiscal capacity disparity aid received by the municipality in the 2010 fiscal year pursuant to RSA 198:40-c.

(d) A municipality in the upper half of the lowest quartile with a median family income between 110 percent and 125 percent of the state average median family income, shall receive transitional education aid in the amount of 25 percent of the difference between its fiscal year 2009 adequate education grant and its fiscal year 2010 adequate education grant, less any fiscal capacity disparity aid received by the municipality in the 2010 fiscal year pursuant to RSA 198:40-c.

(e) A municipality in the lower half of the second lowest quartile with a median family income less than 100 percent of the state average median family income, shall receive transitional education aid in the amount of 50 percent of the difference between its fiscal year 2009 adequate education grant and its fiscal year 2010 adequate education grant, less any fiscal capacity disparity aid received by the municipality in the 2010 fiscal year pursuant to RSA 198:40-c.

(f) A municipality in the lower half of the second lowest quartile with a median family income between 100 percent and 110 percent of the state average median family income, shall receive transitional education aid in the amount of 25 percent of the difference between its fiscal year 2009 adequate education grant and its fiscal year 2010 adequate education grant,

less any fiscal capacity disparity aid received by the municipality in the 2010 fiscal year pursuant to RSA 198:40-c.

II. A municipality in which the estimated fiscal year 2011 adequate education grant is 85 percent or less than its fiscal year 2009 adequate education grant shall be eligible for transitional education aid for the fiscal year ending June 30, 2011 as follows:

(a) A municipality in the lower half of the lowest quartile with a median family income less than 125 percent of the state average median family income, shall receive transitional educational aid in the amount of 25 percent of the difference between its fiscal year 2009 adequate education grant and its fiscal year 2011 adequate education grant, less any fiscal capacity disparity aid received by the municipality in the 2011 fiscal year pursuant to RSA 198:40-c.

(b) A municipality in the lower half of the lowest quartile with a median family income between 125 percent and 150 percent of the state average median family income, shall receive transitional education aid in the amount of 12.5 percent of the difference between its fiscal year 2009 adequate education grant and its fiscal year 2011 adequate education grant, less any fiscal capacity disparity aid received by the municipality in the 2011 fiscal year pursuant to RSA 198:40-c.

(c) A municipality in the upper half of the lowest quartile with a median family income less than 110 percent of the state average median family income, shall receive transitional education aid in the amount of 25 percent of the difference between its fiscal year 2009 adequate education grant and its fiscal year 2011 adequate education grant, less any fiscal capacity disparity aid received by the municipality in the 2011 fiscal year pursuant to RSA 198:40-c.

(d) A municipality in the upper half of the lowest quartile with a median family income between 110 percent and 125 percent of the state average median family income, shall receive transitional education aid in the amount of 12.5 percent of the difference between its fiscal year 2009 adequate education grant and its fiscal year 2011 adequate education grant, less any fiscal capacity disparity aid received by the municipality in the 2011 fiscal year pursuant to RSA 198:40-c.

(e) A municipality in the lower half of the second lowest quartile with a median family income less than 100 percent of the state average median family income, shall receive transitional education aid in the amount of 25 percent of the difference between its fiscal year 2009 adequate education grant and its fiscal year 2011 adequate education grant, less any fiscal capacity disparity aid received by the municipality in the 2011 fiscal year pursuant to RSA 198:40-c.

(f) A municipality in the lower half of the second lowest quartile with a median family income between 100 percent and 110 percent of the state average median family income, shall receive transitional education aid in the amount of 12.5 percent of the difference between its fiscal year 2009 adequate education grant and its fiscal year 2011 adequate education grant, less any fiscal capacity disparity aid received by the municipality in the 2011 fiscal year pursuant to RSA 198:40-c.

III. The procedure for calculating equalized valuation per pupil and the definition of terms set forth in RSA 198:40-c shall apply to the calculation of transitional educational aid in this section.

IV. Aid under this section shall be distributed pursuant to RSA 198:42.

10 School Money; Determination of Grants and Excess Tax. RSA 198:41, I -II are repealed and reenacted to read as follows:

I. Except for municipalities where all school districts therein provide education to all of their pupils by paying tuition to other institutions, the department of education shall determine the amount of the adequate education grant for the municipality as follows:

(a) Add the per pupil cost of providing the opportunity for an adequate education for which each pupil is eligible pursuant to RSA 198:40-a, I-III, and from such amount;

(b) Subtract the amount of the education property tax warrant to be issued by the commissioner of revenue administration for such municipality reported pursuant to RSA 76:9 for the next tax year.

II. For municipalities where all school districts therein provide education to all of their pupils by paying tuition to other institutions, the department of education shall determine the amount of the adequate education grant for each municipality as the lesser of the 2 following calculations:

(a) The amount calculated in accordance with paragraph I of this section; or

(b) The total amount paid for items of current education expense as determined by the department of education minus the amount of the education property tax warrant to be issued by the commissioner of revenue administration for such municipality reported pursuant to RSA 76:9 for the next tax year.

11 Excess Education Property Tax Payment. RSA 198:46, I is repealed and reenacted to read as follows:

I. A municipality in which education property tax revenue collected exceeds the amount necessary to fund the cost of an adequate education in a fiscal year as determined in RSA 198:40-a, shall collect and remit such excess to the department of revenue administration on or before March 15 of the tax year in which the excess occurs.

12 School Attendance; Duty of Parent; Version Effective July 1, 2009. Amend RSA 193:1, I(c) to read as follows:

(c) The relevant school district superintendent has excused a child from attendance because the child is physically or mentally unable to attend school, or has been temporarily excused upon the request of the parent for purposes agreed upon by the school authorities and the parent. Such excused absences shall not be permitted if they cause a serious adverse effect upon the student's educational progress. Students excused for such temporary absences may be claimed as full-time pupils for purposes of calculating state aid under RSA 186 -C:18 and [equitable] **adequate** education grants under RSA 198:41;

13 Charter and Open Enrollment Schools; Funding. Amend RSA 194 -B:11, I to read as follows:

I. **(a)** There shall be no tuition charge for any pupil attending an open enrollment or charter conversion school located in that pupil's resident district. Funding limitations in this chapter shall not be applicable to charter conversion or open enrollment schools located in a pupil's resident district. For ~~[any other]~~ **a** charter or open enrollment school authorized by the school district, the pupil's resident district shall pay to such school an amount equal to not less than 80 percent of that district's average cost per pupil as determined by the department of education using the most recent available data as reported by the district to the department.

(b) For any charter school authorized by the state board of education pursuant to RSA 194-B:3-a, the state shall pay tuition *pursuant to RSA 198:40-a and RSA 198:40-c* directly to the charter school for each pupil who is a resident of this state in attendance at such charter school ~~[as follows:~~

~~(a) For the fiscal year beginning July 1, 2006, \$3,598 annual tuition.~~

~~(b) For every fiscal year thereafter, the department of education shall determine the tuition rate by adjusting for the average annual percentage rate of inflation based on the northeast region consumer price index for all urban consumers as published by the Bureau of Labor Statistics, United States Department of Labor. The average shall be based on the 4 calendar years ending 18 months before the beginning of the fiscal year for which the tuition rate is to be determined].~~

(c) Notwithstanding RSA 198:42, the commissioner of the department of education shall calculate and distribute charter school tuition payments as set forth herein. The first payment shall be 30 percent of the per pupil amount multiplied by the number of eligible pupils present on the first day of the current school year. Such payment shall be made no later than 15 days after the department of education receives the attendance report. The December 1 payment shall be 30 percent of the per pupil amount multiplied by the membership on November 1, and the March 1 payment shall be 30 percent of the per pupil amount multiplied by the membership on February 1. To calculate the final payment, the commissioner of the department of education shall multiply the per pupil amount by the average daily membership in attendance for the full school year, and subtract the total amount of the first 3 payments made. The remaining balance shall be the final payment. Eligible charter schools shall report membership in accordance with RSA 189:1 -d. In this subparagraph, "membership" shall be as defined in RSA 189:1 -d, II. Tuition amounts shall be prorated on a per diem basis for pupils attending a school for less than a full school year.

(d) The source of funds for payments under this section shall be moneys from the education trust fund established in RSA 198:39.

14 Joint Legislative Oversight Committee on Accountability for An Adequate Education.

I. There is hereby established the joint legislative oversight committee on accountability for an adequate education. The members of the committee shall be as follows:

(a) Three members of the house of representatives, which shall include 2 members of the house education committee and one member of the house finance committee, appointed by the speaker of the house of representatives.

(b) Three members of the senate, which shall include 2 members of the senate education committee and one member of the senate finance committee, appointed by the president of the senate.

II. The committee shall review and study the assessment and assistance methods, reporting requirements, and other methods of accountability presently being used by the department of education and local school districts to determine whether such methods, programs, and standards will ensure the delivery of an adequate education as set forth in RSA 193 -E:2-a.

III. Following a public hearing, the committee shall report its findings and recommendations concerning the sufficiency of existing statutory law to provide accountability for the delivery of the opportunity for an adequate education as defined in RSA 193 -E:2-a, and the possible need for additional legislation, to the governor, the speaker of the house of representatives, the president of the senate, and the state librarian no later than November 15, 2008.

15 References Amended. Amend the following RSA sections by replacing “statewide enhanced education tax” with “education tax”: RSA 21-J:14-h; RSA 76:3; RSA 76:8, I; RSA 76:8, III; RSA 76:9; RSA 83-F:9; RSA 198:46; RSA 198:47; RSA 198:57, III(a); and RSA 198:57, IV(c).

16 Severability. If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

17 Repeal. The following are repealed:

I. 2005, 257:8, relative to determination of grants and excess enhanced education property tax payments.

II. 2005, 257:23, I, relative to the July 1, 2009 effective date for 2005, 257:8.

18 Effective Date.

I. Section 17 of this act shall take effect June 30, 2009.

II. Section 8 of this act shall take effect July 1, 2011.

III. The remainder of this act shall take effect July 1, 2009.

LBAO

08-2923

Amended 04/21/08

SB 539 FISCAL NOTE

AN ACT relative to the cost of an adequate education and provision of fiscal capacity disparity aid.

FISCAL IMPACT:

The Department of Education states this bill, **as amended by the Senate (Amendment #2008-1077s)**, will increase state education trust fund expenditures by \$61,717,532 in FY 2010, \$57,155,274 in FY 2011, and \$19,151,351 in FY 2012. The Department further states this bill, as amended by the Senate, will increase local revenue by \$62,347,933 in FY 2010, \$58,409,517 in FY 2011, and \$21,614,191 in FY 2012. There will be no fiscal impact on state and county revenue or county and local expenditures.

METHODOLOGY:

Cost of an Adequate Education, Fiscal Capacity Disparity Aid, and Transition Aid

To estimate the fiscal impact of this bill, the Department of Education estimated the cost of state aid for an adequate education under current law as well as the cost of an adequate education, fiscal capacity disparity aid, and transitional educational aid under this bill. The Department states the data on which these calculations are built will be subject to only minor adjustments, with the exception of equalized valuation without utilities, for which the most recently available data has been used. For FY 2012 calculations, the Department assumed a 0.5% annual decline in average daily membership (ADM), special education (SPED) ADM, and English language learner (ELL) ADM. The Department assumed the ADM of students eligible for a free or reduced price meal (F&R) will increase by 2.0% due to current economic trends.

The Department estimated state education trust fund expenditures for adequate education aid under current law as follows:

F
Y 2010 FY 2011 FY 2012

Estimated Adequate Education Aid \$913,465,913 \$913,465,913 \$956,238,060

The Department estimated state education trust fund expenditures for the cost of an adequate education, fiscal capacity disparity aid, and transition aid under this bill as follows:

F
Y 2010 FY 2011 FY 2012

Universal Cost 677,163,227 677,163,227 670,391,856

F&R Lunch Differentiated Aid 183,839,840 183,839,840 201,105,156

SPED – Self Contained 5,062,380 5,062,380 5,011,392

SPED – All Other Placements 51,760,800 51,760,800 51,243,232

ELL Differentiated Aid 2,219,400 2,219,400 2,209,275

Total Cost of an Adequate Education \$920,045,674 \$920,045,674 \$929,960,911

Fiscal Capacity Disparity Aid \$47,891,340 \$47,891,340 \$47,891,340

Transition Aid \$7,876,832 \$3,938,416 -

TOTAL – Adequacy Aid, Fiscal

Capacity Disparity, Transition \$975,813,846 \$971,875,430 \$977,852,251

Increase / (Decrease) \$62,347,933 \$58,409,517 \$21,614,191

Charter Schools

The Department estimates FY 2009 charter school enrollment for all charter schools except the Virtual Learning Academy will increase by 10% over current FY 2008 enrollment, and will continue to increase by 10% in FY 2010, FY 2011, and FY 2012. The Department estimates the full-time equivalent enrollment at the Virtual Learning Academy will be 500 in FY 2009, and will increase by 75% in FY 2010, FY 2011, and FY 2012. The Department has determined charter school tuition in FY 2010 under current law will be \$3,958, and estimates the tuition amount will increase by 3.3% in FY 2011 and FY 2012. Under current law, the ADM of each kindergarten student is limited to 0.5; under this bill, the ADM of kindergarten students is not limited. The Department further states under this bill charter schools will be eligible to receive differentiated aid. The Department estimates 6.5% of charter school students except those enrolled at the Virtual Learning Academy will receive special education services and be eligible to receive an additional \$1,789 per pupil .

The Department estimated state education trust fund expenditures for charter school tuition under current law as follows:

Y 2010 FY 2011 FY 2012

Estimated Enrollment 1,386 2,093 3,298

Per Pupil Tuition Amount \$3,958 \$4,089 \$4,224

Total Per Pupil Tuition \$5,485,788 \$8,558,277 \$13,930,752

The Department estimated state education trust fund expenditures for charter school tuition under this bill as follows:

Y 2010 FY 2011 FY 2012

Estimated Enrollment 1,390 2,098 3,303

Per Pupil Tuition Amount \$3,450 \$3,450 \$3,450

Total Per Pupil Tuition \$4,795,500 \$7,238,100 \$11,395,350

Special Education Differentiated Aid \$59,887 \$65,934 \$72,562

Total Charter School Tuition \$4,855,387 \$7,304,034 \$11,467,912

Increase / (Decrease) (\$630,401) (\$1,254,243) (\$2,462,840)