

NH Fiscal Policy Institute Budget Conference

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Statewide Summary Of Revenue Since 2020

- State & Local Funding has consistently been around 90 percent of all funding.
- Federal Revenue has spiked substantially due to Covid-19 Aid. However, the FY 2026 budgets will not include Covid-19 related additional funding.

REVENUE SOURCES	Fiscal Year 2023		Fiscal Year 2022		Fiscal Year 2021		Fiscal Year 2020	
		Percent		Percent		Percent		Percent
Local Taxation	\$ 2,335,861,602	61.4%	\$ 2,185,771,754	60.1%	\$ 2,147,713,909	60.7%	\$ 2,099,195,588	62.6%
Tuition, Food, & Other Local Revenue*	58,604,167	1.5%	58,705,417	1.6%	44,330,906	1.3%	39,279,701	1.2%
Adequacy Education Aid	969,445,073	25.5%	987,148,576	27.1%	1,011,796,605	28.6%	961,613,351	28.6%
Other State Sources	107,058,474	2.8%	84,937,146	2.3%	82,116,322	2.3%	93,473,735	2.8%
Federal Sources	330,981,901	8.7%	323,491,486	8.9%	252,513,392	7.1%	161,745,104	4.8%
Other (Includes insurance settlements)	190,002	0.0%	15,386	0.0%	904,410	0.0%	145,685	0.0%
Total Net Revenues	3,802,141,219	100.0%	\$ 3,640,069,765	100.0%	\$ 3,539,375,544	100.0%	\$ 3,355,453,164	100.0%

SFY 2026 - District Public School Adequacy Formula

	Base Aid Amount Per Pupil		Pupil Count		Calculation	Explanation		
Base Adequacy Aid (Amount adjusted by <u>2%</u> every year)	\$ 4,265.64	X	Pupils during School Year (SY) 2024-2025	=	Base Adequacy Aid Amount	Based on Average Daily Membership for all students enrolled in the district public school		
					+			
	Differentiated Aid F&R = Free and Reduced Price Meals SPED = Special Education ELL = English Language Learners (Amount adjusted by <u>2%</u> every year)	\$ 2,392.92	X	Pupils during School Year (SY) 2024-2025	=		F&R Aid Amount	Based on free and reduced price meal eligible students
		\$ 2,184.84	X	Pupils during School Year (SY) 2024-2025	=		SPED Aid Amount	Based on students receiving special education services.
				=	ELL Aid Amount	Based on students who are english language learners		
					=			
					Adequate Education Cost			
					Cost of An Adequate Education	Base Aid + Differential Aid categories is the cost of an adequate education. Sometimes referred to as constitutional adequacy.		
					-			
					Subtract SWEPT			
					(Statewide Education Property Tax)	Subtract the SWEPT required to be raised & retained locally to determine preliminary grant, but total education grant cannot be negative.		
					+			
					Add Extraordinary Needs			
Additional Grants = Extraordinary Needs + Hold Harmless Grant				=	Extraordinary Needs Grant	Add Extraordinary Needs, if eligible		
					=			
					Preliminary Grant			
					Preliminary Adequacy Grant	The preliminary grant is a necessary measurement to determine if a hold harmless grant is required.		
					Add Hold Harmless			
				=	Hold Harmless Grant	Add Hold Harmless, if eligible		
					=			
					Adequacy Grant			
					Adequacy Grant	Final adequacy grant is calculated by calculating the cost of an adequate education, subtracting SWEPT, adding additional grants as eligible. Final education grant cannot be negative.		

Note: The "Final Adequacy Grant" as depicted in this document is meant to illustrate how the adequacy grant provided in the form of a check to the districts is calculated. The total adequacy award includes the SWEPT funding retained locally which is recorded as a State SWEPT Grant in both district and State ledgers.

FY 2026 – Hold Harmless Grant Phase Out Starts & Extraordinary Needs Grant Increases

Fiscal Year	Preliminary Grant (Cost of An Adequate Education Minus SWEPT)	Equalized Value Per Free & Reduced-Price Meal Student (EVFRP)	Extraordinary Needs Grant	Hold Harmless Grant	Total Adequacy Grant (Excluding SWEPT)
<u>Claremont School District – Large FY 26 Investment That Fully Mitigates Ongoing Loss Of The Hold Harmless</u>					
FY 2025	7,154,003	2,000,742	5,482,509	1,646,928	14,283,440
FY 2026	7,313,831	1,956,278	7,574,626	1,317,543	16,206,000
Net Change	159,828	(44,464)	2,092,117	(329,385)	1,922,560
	Slight Decline In Overall Enrollment But Rate Increases & Growing F&R Counts	Flat Property Growth But Increase In F&R Counts	Grant Aid Is Increased in FY 2026 & Lower EVFRP Increases Aid	20 Percent Reduction in Hold Harmless Takes Effect	Increase In Extraordinary Vastly Mitigates Any Hold Harmless Loss

FY 2026 – Hold Harmless Grant Phase Out Starts & Extraordinary Needs Grant Increases

Fiscal Year	Preliminary Grant (Cost of An Adequate Education Minus SWEPT)	Equalized Value Per Free & Reduced-Price Meal Student (EVFRP)	Extraordinary Needs Grant	Hold Harmless Grant	Total Adequacy Grant (Excluding SWEPT)
<u>Barnstead School District – Increased Funding That Will Become Less Stable Over Time</u>					
FY 2025	2,110,555	6,472,987	72,638	829,877	3,013,070
FY 2026	2,232,241	5,956,363	372,167	663,901	3,268,309
Net Change	121,686	(516,624)	299,529	(165,975)	255,240
	Slight Decline In Overall Enrollment But Rate Increases & Growing F&R Counts	Growing Property Values But Increase In F&R Counts	Grant Aid Is Increased in FY 2026 & Lower EVFRP Increases Aid	20 Percent Reduction in Hold Harmless Takes Effect	Increase In Extraordinary Needs Mitigates The Partial Hold Harmless Loss

Fiscal Year 2025 To Fiscal Year 2026

	FY 2025	FY 2026 (Estimated)
Total Grant (Adequacy & SWEPT)	\$1,064,404,970	\$1,080,465,156
Hold Harmless Grant Total	\$59,118,009	\$47,294,408
Hold Harmless Grant Count	134 of 245	134 of 245
Extraordinary Needs Grant Total	\$158,919,869	\$184,925,544
Extraordinary Needs Grant Count	84 of 245	78 of 245
More Than Previous Year (With SWEPT)	140 of 245	100 of 245
Less Than Previous Year (With SWEPT)	105 of 245	145 of 245

What Do Most Hold Harmless Communities Have In Common?

From School Year 2004 to 2024, NH experienced a drop in enrollment of 22.1%. For Communities that have hold harmless grants, that number is 25.4%. Furthermore, for Communities that have 15% or more of their adequacy grant as a hold harmless, the decline in enrollment is 28.3%. Some Communities had large stabilization grants in 2012, in part, because they served a larger share of the total NH students than they do currently.

Adequacy Formula – 6 out of past 7 Years Material Changes Were Made

- FY 2020 - Full Day Kindergarten Added & Stabilization Fully Restored To 100%
- FY 2021 – One Time Aid Increase Based On F&R Percentage and Equalized Valuation Per Pupil (i.e., Fiscal Capacity Disparity Aid)
- FY 2022 – Enrollment Hold Harmless & F&R Percentage Based Aid
- FY 2023 – Increase Aid Based on Equalized Valuation Per F&R Pupil (i.e., Extraordinary Needs Grant) & F&R Hold Harmless
- FY 2024 – Boost to Base & F&R Rates With 2% Yearly Increases, Aid Increase Based on Equalized Valuation Per F&R Pupil (i.e., Extraordinary Needs Grant), Stabilization Removed, & Hold Harmless Grant Added.
- FY 2025 – No Material Change Made To the Formula
- FY 2026 – Extraordinary Needs Grant Increase & Hold Harmless Decreases By 20%

ADM, Property, and Cost Trends

- **Property Trends** – From 2019 to 2022, equalized Statewide property growth averaged 15.6% a year. From 2022 to 2023, growth was slowed down to 8.2%.
- **ADM Trends** – Students Attending a NH District Public School has Dropped 6.7% from 2019 to 2023. A large drop off occurred during Covid (SY 2021), but a large portion of those students returned to their district.
- **Cost Per Pupil** – Cost Per Pupil has grown by 24.3% from 2019 to 2023. This has been fueled in part due increased federal funding. However, declining enrollment without addressing costs will increase cost per pupil.