



Senator Gary Daniels
Senate Finance Committee

May 4, 2021

Dear Chairman Daniels and Honorable members of the Senate Finance Committee,

While the state budget bills contain numerous provisions in them, my testimony today focuses on 3 critical requests for this committee: first, that you refrain from including a school voucher plan like SB 130 which downshifts costs onto local taxpayers; second that you pass a public school funding formula that is more equitable and accounts for the pandemic effects on school budgets; and third that you remove entirely and without replacement the harmful language of HB 544, put into HB 2 by the House.

No School Vouchers in Our Budget

In March, the Senate majority indicated that it would take the contents of SB 130, the private, religious, and homeschool voucher program, and place it into the budget. Since this is the Finance Committee, I will focus my testimony on the financial and procedural reasons we feel this would be unwise. Three years ago, the NH House turned down a far more limited voucher plan in SB 193 for financial reasons, principally because in the ramp up period the Legislative Budget Assistant estimated that it would downshift \$99 million onto local property taxes. That program had an eligibility limited to 185% of the Federal Poverty Level and contained caps on the number of participants, provisions far less generous than the voucher plan adopted by the Senate this year, and yet SB 193 was still deemed to be too much of a financial risk to our communities.

As Rep. Neal Kurk asked in his floor speech against SB 193 from a few years ago, when talking about the downshifting this type of legislation would cause amid already challenging circumstances for school districts, “Do we really want to make things worse for local property taxpayers?” This a question that remains unanswered today. The plan you are considering now is far more expansive than the one rejected in 2018 which Rep. Kurk spoke against, and therefore could downshift an even greater amount onto local property taxpayers. To date there has been no financial analysis completed from the LBA on this bill, yet it is slated to be a part of our state budget.

We know the state will be paying more from the education trust fund if this voucher plan is included in the budget, but not to support our public schools. Instead, the state will be paying new money to parents who have already chosen to send their children to private, religious, or homeschools. Over a 3-year period we could be looking at nearly \$100 million public tax dollars being spent on vouchers for people who are already sending their children to private, religious, or homeschools.

And for those families who do choose to remove their student from a public school the state will be spending additional funds to temporarily lessen the blow of losing that badly needed funding. Why not spend these additional funds to support our public-school students whose districts need this money, rather than diverting it for such a voucher program? Rural and below average property valued communities will likely be hit the hardest by this initiative. The communities who struggle the most to raise money with limited state aid will suffer disproportionately.

A key component this committee should consider is that the financial oversight of the bill adopted by the Senate includes little oversight. Allowable usage includes “any other educational expense approved by the scholarship organization.” What specific responsibilities are placed on the scholarship organization? SB 130 also states: “The scholarship organization *may* conduct or contract for the auditing of individual EFAs and shall at a minimum conduct random audits of EFAs on an annual basis.” How many random audits? The legislation is silent on this, but under this language it appears random audits could be done to just a handful of accounts and meet the standards of this bill.

The Senate Education committee added a legislative oversight committee which is relatively meaningless. In other states with such programs, full-time state employees are conducting the oversight – a legislative committee does not have the resources or bandwidth to conduct proper management over a voucher program as expansive and freewheeling as this one in its allowable expenses. This committee would not be doing its due diligence to pass a budget with a program with as little oversight as contained in SB 130.

In addition, the scholarship organization can keep up to 10% of the state aid formerly sent to our school districts. On average 10% would be about \$460 per student of the average voucher payment of \$4,600 according to the Department, possibly up to \$850 depending on the circumstance of the child and their family. What does this say to the teachers in our state who spend, on average, \$423 out of their own pockets each year on classroom supplies or the students and educators we have heard from this past spring who drive to their library to access a wi-fi signal to take part in class or complete assignments? Not only are we subsidizing private schools using public dollars with this legislation, but we are also allowing a third-party to recoup extraordinary administrative costs in exchange for little to no oversight.

Finally, by putting school vouchers in the state budget, you will have completely cut off the opportunity for members of the House to deliberate and vote on this major piece of legislation, which will drastically alter education in the State of New Hampshire. House Bill 20 was retained in committee so that State Representatives could more fully weigh the pros and cons to the town or school district they represent. Do not put vouchers in the state budget and circumvent this

important public legislative process. Let the House continue to work on their bill and should they endorse it, send it over to you next year.

Adequate School Funding

Rather than a voucher program in our state budget, we would urge the Senate to use those resources to close the \$90 million funding gap that students and taxpayers face because of the pandemic and the expiration of long overdue aid to our communities. The problem is bigger, no doubt than this biennium's budget, but this can be a bridge to undertake further changes to solve the inequities in our funding laid out by last year's School Funding Commission report. We supported the passage of SB 135 which closes part of the 2-year gap we face and urge this committee to commit the resources needed to finish the job. We disagree with the House's approach of reducing the SWEPT by \$100 million and have concerns this could jeopardize the significant investment the federal government is making to support our public schools as we exit this pandemic year.

Remove HB 544

Lastly, the section of HB 2 that comes from the so-called divisive concepts bill, HB 544 is a particularly offensive piece to have to address during national teacher appreciation week. We appreciate our teachers for many things, including their ability to spark our young peoples' minds with critical thinking skills; this legislation would stifle that. The contents of HB 544 should not only cease to be a part of our state budget but should be removed from any further consideration by this body.

Furthermore, attempting to put into our laws this restrictive language is fraught with peril in so many respects and undermines the very principles of democracy that this bill purports to protect. Our country is at a crossroads with respect to racial and gender equity and inclusion. These discussions in the classroom and in the workplace are tools we use in this country to combat systemic race and gender inequality. One recently retired teacher who I know wrote to this committee implored in her letter, "Please do not limit voices of our students. Children by nature are curious learners and must ask questions! Educators are credentialed and skillful facilitators of this learning." Passing this kind of legislation, especially in our state budget, to silence these conversations will not only prevent the kind of inclusion we seek but set us farther back.

This budget can be a better representation of the priorities the people of New Hampshire hold rather than a document pieced together to ameliorate the extreme minority of one political party. We have an opportunity on this, National Teacher Appreciation Day, to show the most important people we serve as educators, our students, that we support a strong public education for all by funding our schools and striving to be a more inclusive and just community.

Respectfully submitted,



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