

**New Hampshire School Boards Association  
Legislative Bulletin  
February 15, 2007**

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***Governor Delivers His Budget***

Governor Lynch addressed a Joint Session of the House and Senate to deliver his budget. The Governor spoke for over 40 minutes offering highlights of a balanced budget that provides modest increases in most of our state aid programs.

**Adequacy Funds:** Governor Lynch reiterated his intent to focus on defining an adequate education before considering the corresponding cost and any distribution formula. Acknowledging the uncertainty this places on local districts and their budgeting process, the Governor proposed an interim plan to hold districts harmless at the current 2007 funding level and add a 5% cost of living adjustment. Total actual grants to districts would increase from the current \$472.7 million to \$496.35 million. The statewide education property tax would continue to be set at a rate to raise \$363 million. This plan would be an interim solution to allow for local planning/budgeting until the legislature ultimately resolves the issue of funding an adequate education.

**State Aid:** In addition to the 5% increase in adequate education grants, the Governor's proposal increases financial aid to school districts by approximately 8% in the first year of the biennium and another 8.6% in the second year. Anticipated needs in both catastrophic aid and school building aid are fully funded.

Catastrophic aid increases by \$12 million to \$72.3 million for the biennium, and building aid increases by \$9.6 million for a total of \$88.1 million for the biennium. Vocational tuition and transportation aid increases by \$3.2 million for a total of \$13.8 million over the biennium. (The Governor noted that the tuition and transportation increase would help support an expansion of regional dropout prevention programs.) Dropout prevention aid increases from \$350,000 to \$1.05 million in the first year of the biennium and \$1.75 million for the second year; reading recovery increases to \$400,000 for each year.

**Compulsory Age of Attendance:** The Governor again urged support of his proposal to raise the age of compulsory attendance from age 16 to 18. State resources he identified to help local districts include doubling the dropout prevention funds to provide at-risk students with tutoring and additional assistance to complete high school, as well as the increase in tuition and transportation aid to provide more access to regional technical education centers. The Governor also included plans to increase the capacity at the state's adult high schools for students who do not do well in traditional high schools. These programs offer classes for adults to complete the high school level courses they need for a diploma. Finally,

\$14 million is included in the capital budget for renovations at the Exeter and Manchester Technical Education Centers.

### ***What's Next?***

The budget will now go to the House Finance Committee for debate and deliberation, and once passed by the House, move to the Senate for a repeat performance. Many details will need to be explained and clarified during this process. Look for more information in future Bulletins.

*Make sure your local representatives know where their school board stands on important legislative proposals. Keep your legislators informed and aware.*

**Remember that you, through NHSBA, are the only locally elected officials that "speak" exclusively for public education in NH.** Need some help? Learn how you can be involved in NHSBA'S Legislative Advocacy Network and make your board's voice heard.

**Call NHSBA (800-272-0653) or (603-228-2061) today** and be part of the team. For more information or details, or for information on specific legislation, please call Dean Michener at 603-228-2061.

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