

**To: Office of Elementary and Secondary Education, United States Department of Education**

**From: New Hampshire Department of Education**

**Date: 3/13/2024**

**Re: 3<sup>rd</sup> Waiver Request from Section 2004(a) of the American Rescue Plan Act (ARP) and Section 317 of the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA)**

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### Summary of Waiver Request

On September 28, 2022, the United State Department of Education (USED) partially approved New Hampshire's Waiver request relative to Section 2004(a) of the American Rescue Plan Act and Section 317 of the Coronavirus Response and Relief Supplemental Appropriations Act. The first waiver request was originally submitted in December 2021. All of the reasons NH requested a waiver in December 2021 and USED partially approved a waiver in September 2022 still hold true for all student investments in March 2024. NH still continues to maintain ongoing support in the vital areas of elementary, secondary, and higher education. The State's overall support and per pupil aid in fiscal years 2022 and 2023 are above the baseline levels measured in fiscal years 2017, 2018, and 2019. However, the technical noncompliance with the ARP and CRRSA Maintenance of Effort (MOE) requirement remains due to education spending as a percent of the total budget decreasing for fiscal year 2023. This decrease in the percentage of education spending relative to overall State spending is primarily due to investments NH made in its healthcare and child welfare systems which made those areas of the overall State budget grow faster than the growth in education.

### Changes in Data and Education Funding Since Last Report to USED

Since we last reported to USED in our amended May 2023 waiver request, we now have the final FY 2023 total State expenditure data. All previously data reported relative to our growing State support for education still holds as of March 2024. After reviewing the latest State expenditure data, it appears now support for higher education has now dipped slightly below the percentage allocated during the base years (i.e., 2017, 2018, & 2019). Similar for elementary and secondary education, this percentage-based measurement was negatively impacted due to the large increases in healthcare and the child welfare system beyond the base years.

Measurement & Year	Elementary and Secondary Education	Higher Education	Total State Spend
<i>Base Line Measurements</i>			
<b>Average FY 2017- 2019</b>	\$958,600,000	\$126,775,000	\$2,372,794,851
<b>Percent Relative to Overall State Spend</b>	39.59%	5.24%	100%
<i>Maintenance of Effort Measurements for FY 2022</i>			
<b>FY 2022 Spending</b>	\$1,017,723,000	\$144,500,000	\$2,336,804,314
<b>Percent Relative to Overall State Spend</b>	43.55%	6.18%	100%
<b>Compliance</b>	Over-Threshold	Over-Threshold	N/A
<i>Estimated Maintenance of Effort Measurements for FY 2023</i>			
<b>FY 2023 Spending</b>	\$1,002,797,000	\$144,500,000	\$2,874,679,403
<b>Percent Relative to Overall State Spend</b>	34.89%	5.03%	100%
<b>Estimated Compliance</b>	Under-Threshold	Under-Threshold	N/A

### State Ad Per Pupil Data And Trends

In our wavier submitted in December 2021 and partially approved in September 2022, NH provided a table showing State Aid Per Pupil for fiscal years 2017 through 2023 for elementary, secondary, and higher education. This table was updated and resubmitted in our May 2023 request for a waiver relative to the MOE requirement for elementary and secondary education. The table below updates the data originally submitted December 2021 and for New Hampshire higher education. As illustrated below, State aid per student has increased well beyond the base year for higher education. In fact, higher education State Aid per pupil has grown by over 40 percent in fiscal year 2023 when compared to the average State aid during fiscal years 2017, 2018, & 2019.

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>State Funding Support (in thousands)<sup>1</sup></b>							
<b>Higher Education</b>	\$124,775	\$127,475	\$128,075	\$142,755	\$143,860	\$144,500	\$144,500
<b>Higher Education Enrollment &amp; State Aid Per Higher Education Student<sup>3</sup></b>							
<b>Public University</b>	26,371	27,333	26,998	25,267	25,126	24,423	22,709
<b>Community College</b>	11,152	10,451	9,818	10,171	9,009	7,516	7,300
<b>Higher Education Pupils</b>	37,523	37,784	36,816	35,438	35,084	34,733	34,385
<b>State Aid Per Higher Education Pupil</b>	\$3,325	\$3,374	\$3,479	\$4,028	\$4,214	\$4,524	\$4,815
<b>Note: Public university and community college pupil data can be found on page 162 on the report below.</b> <a href="https://www.das.nh.gov/accounting/FY%2023/FY_2023_Annual_Comprehensive_Financial_Report_ACFR.pdf">https://www.das.nh.gov/accounting/FY%2023/FY_2023_Annual_Comprehensive_Financial_Report_ACFR.pdf</a>							

#### History of Wavier Requests:

This is New Hampshire's 3<sup>rd</sup> and final waiver request. The original request was submitted December 2021. After USED waived FY 2022, a second waiver request was submitted in May 2023 to request a waiver for FY 2023. At that time, it was not known that fiscal year 2023 for high education spending would be non-complaint. Therefore, this final waiver request covers that area of technical noncompliance.