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Frank Edelblut
Commissioner

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STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
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May 5, 2025

The Honorable Ken Weyler, Chairman
Fiscal Committee of the General Court
State House
Concord, NH 03301

Her Excellency, Governor Kelly A. Ayotte
and the Honorable Council
State House
Concord, NH 03301

REQUESTED ACTION

Pursuant to RSA 9:16-a, I, authorize the Department of Education to transfer funds in the amount of \$728,530, in and among accounts and classes, to allow the Department to meet Match requirements associated with the Vocational Rehabilitation Grant, effective upon approval by the Fiscal Committee and Governor and Council through June 30, 2025. 100% General Funds.

Transfer funds from the following account:

FY25
CTE VOC ED - STATE
Account: 06-56-56-562010-40270000

Class/Account	Description	FY25 Authorized Budget	Requested Action	FY25 Adjusted Authorized Budget
Revenue Class				
00S-000010	General Funds	1,293,645	(\$728,530)	\$565,115
	Total Revenue	1,293,645	(\$728,530)	\$565,115
Expense Class				
010-500100	Personal Services Perm	\$342,966	\$0	\$342,966
020-500200	Current Expenses	\$5,200	\$0	\$5,200
026-500251	Organizational Dues	\$5,000	\$0	\$5,000
029-500290	Intra-Agency Transfers	\$225	\$0	\$225
030-500301	Equipment - New/Replacement	\$100	\$0	\$100
038-500175	Technology - Software	\$500	\$0	\$500

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039-500190	Telecommunications	\$7,185	\$0	\$7,185
050-500109	Personal Services Temp	\$7,748	\$0	\$7,748
057-500531	Books, Periodicals & Subscriptions	\$50	\$0	\$50
060-500602	Benefits	\$184,041	\$0	\$184,041
066-500543	Employee Training	\$500	\$0	\$500
070-500704	In State Travel Reimbursement	\$8,300	\$0	\$8,300
073-500578	Grants – Non-Federal	\$50,000	(\$50,000)	\$0
080-500710	Out of State Travel Reimbursement	\$3,300	\$0	\$3,300
601-500931	State Fund Match	\$600,000	(\$600,000)	\$0
610-500940	Career Tech Student Orgs	\$78,530	(\$78,530)	\$0
	Total Expenses	\$1,293,645	(\$728,530)	\$565,115

Transfer funds to the following account:

FY25
VOCATIONAL REHAB - STATE
Account: 06-56-56-565010-25360000

Class	Description	FY25 Authorized Budget	Requested Action	FY25 Adjusted Authorized Budget
Revenue Class				
00S-000010	General Funds	\$4,221,117	\$728,530	\$4,949,647
	Total Revenue	\$4,221,117	\$728,530	\$4,949,647
Expense Class				
601-500931	State Fund Match	\$4,221,117	\$728,530	\$4,949,647
	Total Expenses	\$4,221,117	\$728,530	\$4,949,647

EXPLANATION

This request will allow the Department to meet federal match requirements associated with the Vocational Rehabilitation (VR) Grant under the Rehabilitation Act of 1973. The VR program operates on a cost-sharing model, with the federal government contributing 78.7% of total program costs and states contributing the remaining 21.3% as a non-federal share.

On April 21, 2025, the Rehabilitation Services Administration (RSA) announced that the Federal Fiscal Year 2025 VR appropriation base had increased significantly, by \$364.5 million nationwide, due to restoration of prior Consumer Price Index for All Urban Consumers (CPI-U) adjustments and updated population and per-capita income data. As a result, New Hampshire's federal award increased. Coincident with the increase in federal VR funds, each state must contribute additional proportional match to access these additional funds.

Without this requested transfer of \$728,530 in General Funds among classes, the Department will be unable to meet its full match obligation. If this were the case, the Department would return or refuse federal funds to a level that would allow it to continue to meet its match requirement. This is essential as the match

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requirements would result in a required reduction of the federal grant equal to \$4 reduction in federal grant for each \$1 of match shortfall. Such a circumstance could impede the Departments ability to serve its customers.

The requested funds to be transferred from the CTE-Voc Ed-State account are available due to the department negotiating with federal partners to allow the state funded Tuition and Transportation appropriations be used to fulfil the matching requirement for the Federal Perkins Grant. Subsequently, class 601 for State Fund Match appropriations were not requested as part of the FY26/27 agency budget submission. The remaining funds to transfer are also available as federal funds/school district funds were used in place of state funds. Budget appropriation request for these two class lines were also not included in the agency budget submission.

This action ensures that New Hampshire can fully access the increased federal funds, avoid service disruptions, and continue to help individuals with disabilities achieve competitive, integrated employment.

The following appropriation authorities are being requested:

<u>Class</u>	<u>Class Description</u>	<u>Explanation</u>
4027-073	Grants – Non-Federal	Appropriation not needed due to grants being awarded with federal funds.
4027-601	State Fund Match	Reduced appropriation requirement due to federal approval gained to only use the “Tuition and Transportation” line item as the match.
4027-610	Career Tech Student Orgs	Appropriation not being used as program needs supported by school districts.
2536-601	State Fund Match	Additional appropriation needed to meet state match/MOE requirements.

The following information is provided in accordance with the Budget Officer’s instructional memorandum dated April 17, 1985.

Justification:

- 1) Does transfer involve continuing programs or one-time projects?
Continuing programs
- 2) Is this transfer required to maintain existing program level or will it increase the program level?
Maintain program level
- 3) Cite any requirements which make this program mandatory?
34§361.60 Matching requirements. Under 34 CFR §361.60, states must provide a 21.3% non-federal match to receive the full 78.7% federal share of vocational rehabilitation (VR) funding. If the state fails to meet the match, the unmatched portion of the federal grant is forfeited.
- 4) Identify the source of the funds on all accounts listed on this transfer?
General Funds
- 5) Will there be any effect on revenue if this transfer is approved or disapproved?

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Yes, if transfer not approved, the department will need to return federal funds on a four to one basis. Four federal dollars for every one state dollar.

6) Are funds expected to lapse if this transfer is not approved?

Yes

7) Are personnel services involved? If yes, answer the following:

No

a. Number of positions budgeted in each account.

N.A

b. Number of positions filled in each account.

N.A

c. Reason for vacant positions.

N.A

d. Have any positions been transferred previously in these accounts?

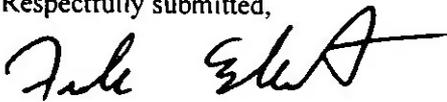
N.A

e. Will any positions be transferred as a result of this request?

N.A

The Department has conducted a detailed review of these line items in the budget to ensure that available funds are maximized to the greatest degree possible.

Respectfully submitted,



Frank Edelblut
Commissioner of Education