

HB 771-FN - AS AMENDED BY THE SENATE

05/15/2025 1881s

2025 SESSION

25-0788

07/02

HOUSE BILL

771-FN

AN ACT relative to funding for open enrollment schools.

SPONSORS: Rep. Peternel, Carr. 6; Rep. Ladd, Graf. 5; Rep. Terry, Belk. 7; Rep. Verville, Rock. 2; Sen. Rochefort, Dist 1

COMMITTEE: Education Funding

ANALYSIS

This bill:

I. Changes how funding for open enrollment schools is sent and received.

II. Requires school districts to establish a line item in their operating budgets that reflects expenditures for open enrollment tuition costs.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears ~~in brackets and struckthrough.~~
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Five

AN ACT relative to funding for open enrollment schools.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Education; Open Enrollment Schools; Definitions. Amend RSA 194-D:1, I to read as
2 follows:

3 I. "Open enrollment public school", ~~[or]~~ "open enrollment school", **or "open enrollment**
4 **program"** means any public school which, in addition to providing educational services to pupils
5 residing within its attendance area or district, chooses to accept pupils from other attendance areas
6 within its district and from outside its district.

7 2 Education; Open Enrollment Schools; Funding. Amend RSA 194-D:5 to read as follows:
8 194-D:5 Funding.

9 I. There shall be no tuition charge for any pupil attending an open enrollment school located
10 in that pupil's resident district. For an open enrollment school authorized by **a receiving** ~~[the]~~
11 school district, the pupil's **sending** ~~[resident]~~ district shall pay **the receiving district** ~~[to such~~
12 ~~school]~~ an amount equal to not less than 80 percent of **the sending** ~~[that]~~ district's average cost per
13 pupil as determined by the department of education using the most recent available data as reported
14 by the **sending** district to the department.

15 II. In accordance with current department of education standards, the funding and
16 educational decision-making process for children with disabilities attending a chartered public or
17 open enrollment school shall be the responsibility of the **sending** school district and shall retain all
18 current options available to the parent and to the school district.

19 ~~[III. Any federal or other funding available in any year to a sending district shall, to the~~
20 ~~extent and in a manner acceptable to the funding source, be directed to an open enrollment school in~~
21 ~~a receiving district on an eligible per pupil basis.]~~

22 **III.** ~~[IV.]~~ The commissioner of the department of education shall apply for all federal
23 funding available to open enrollment schools ~~[under the No Child Left Behind Act, Title I of the~~
24 ~~Elementary and Secondary Education Act,]~~ or other federal ~~[source]~~ **sources** of funds. The
25 commissioner shall expend any such funds received in a manner acceptable to the funding source.

26 **IV.** ~~[V.]~~ A sending district may provide funds, services, equipment, materials, or personnel
27 to an open enrollment school, in addition to the amounts specified in this section in accordance with
28 the policies of the sending school district.

29 **V.** ~~[VI.]~~ An open enrollment school may accept pupils at tuition rates at less than the
30 amounts established by this chapter.

1 VI. ~~[VII.]~~ An open enrollment school may receive financial aid, private gifts, grants, or
2 revenue as if it were a school district.

3 3 Education; Open Enrollment Schools; Budgets. Amend RSA 194-D:6 to read as follows:

4 194-D:6 Budgets. *Each school district shall establish a line item in their*
5 *operating budget, on an annual basis, reflecting estimated expenditures for open*
6 *enrollment school tuition and offsetting revenue estimates from sending school districts*
7 ~~[That portion of a school district's estimated expenditures on open enrollment school tuition shall be~~
8 ~~shown as a separate line item in a school district's budget].~~

9 4 Effective Date. This act shall take effect 60 days after its passage.

HB 771-FN- FISCAL NOTE
AS INTRODUCED

AN ACT relative to funding for open enrollment schools.

FISCAL IMPACT:

Estimated State Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
Revenue	\$0	\$0	\$0	\$0
Revenue Fund(s)	None			
Expenditures*	\$0	Indeterminable		
Funding Source(s)	General Fund and Education Trust Fund			
Appropriations*	\$0	\$0	\$0	\$0
Funding Source(s)	None			

***Expenditure = Cost of bill**

***Appropriation = Authorized funding to cover cost of bill**

Estimated Political Subdivision Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
Local Revenue	\$0	Indeterminable		
Local Expenditures	\$0	Indeterminable		

METHODOLOGY:

This bill allows for open enrollments programs in addition to open enrollment schools, further specifies the funding mechanisms between two school districts, and requires a school district to budget for open enrollment schools. Currently, the Department of Education is aware of one (1) locally approved and active open enrollment school in the state and states it is unknown if this bill would increase the availability and student participation in open-enrollment schools over current law. To the extent this bill results in more participation, any currently enrolled district student switching to an open enrollment school is assumed to have a net neutral fiscal impact to the state and local district. However, the Department states it will create a downward pressure on the cost per pupil of education as the resident district will retain 20% of the district average cost per pupil with no educational responsibility for that student and the receiving district will agree to educate the student for only 80% of the average cost per pupil. Any student not currently enrolled in a publicly funded educational pathway and moves into an open enrollment school or program, could result in a potential increase to state adequacy expenditures and local

school district expenditures. Ultimately, this bill's impact on state aid expenditures, and local school district revenue and expenditures, is indeterminable.

AGENCIES CONTACTED:

Department of Education