

# Senate Education Finance Committee

*Karen Davis 271-7875*

**HB 656**, relative to the authority of local school districts to accept federal grants.

**Hearing Date:** February 12, 2026

**Time Opened:** 9:55 am

**Time Closed:** 10:15 am

**Members of the Committee Present:** Senators Murphy, Innis, Carson, Ward, Rosenwald and Altschiller

**Members of the Committee Absent:** None

**Bill Analysis:** This bill requires that all funds disbursed from a state or federal government unit to a school district be disclosed either in the required annual report by the school board or in the notice of a hearing at a school board meeting to take action on unanticipated funds, as well as in the minutes of such meeting.

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**Sponsors:**

Rep. Peternel

Rep. Colcombe

Rep. Drago

Rep. Drye

Rep. Harvey-Bolia

Rep. Litchfield

Rep. Noble

Rep. Pauer

Rep. P. Brown

Rep. DeRoy

Sen. Rochefort

Sen. Sullivan

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**Who supports the bill:** Senator David Rochefort, Tom Luther, Curtis Howland, Timothy Feeney, Kevin Murphy, Pamela Harders, Daniel Richardson, Jesse Medeiros, Eric Pauer, Aubrey Freedman

**Who opposes the bill:** Karen Burnett-Kurie, Janet Robertson, Lin Burnap, Amy Erickson, Deborah Fexis, Barbara Langworthy, Cassandra Curtis, Debora Hatcher, James Chapman, Chrisinda Lynch, Marilyn Monsein, Stephen Monsein, Donna Tully, Ruth Perencevich, Mary Till, Jill Weber, Susan Moore, Ruth O'Neal, Beth Edwards, Becky Wilson (NH School Boards Association), Debrah Howes (American Federation of Teachers -NH), James Moore, and Lois Cote

**Who is neutral on the bill:** None

**Summary of testimony presented in support:**

**Rep. Katy Peternel, Wolfeboro, NH – Prime Sponsor**

- Rep. Peternel stated that her bill is another transparency bill which deals with the acceptance of federal grants by the local school districts.

- The state has received significant funding at both the state and local level when it comes to federal grants.
- This bill requires a notice of a hearing at the local school board upon the anticipation of federal funding.
- All funds to be dispersed would be deemed unanticipated.
- There would be a notice containing a summary of the obligations in the minutes.
- The purpose is so that taxpayers and anyone who attends these school board meetings understand what obligations are attached to these funds.
- Grants from federal agencies such as Homeland Security, and the Departments of Justice and Education should be made known to local voters.
- This bill was vetted by NH Department of Education.
- We need to make taxpayers more aware of what funding is being received by their local school district.

**Q: Senator Carson** – Often times, a superintendent applies for federal grants, but the school board is not informed. Do you think this bill should contain a requirement that the superintendent must notify their local school board that a grant application was submitted?

**A: Rep. Peternel** agreed and stated that this suggestion underlies the purpose of the bill.

**Q: Senator Carson** – She sponsored a bill that was signed into law a few years ago concerning municipalities that receive state funding. That bill requires a town to put on their website that they received this money. Citizens can then ask questions about this funding and how it was going to be spent. Should schools be required to do the same thing with federal grants?

**A: Rep. Peternel** said that this was why she sponsored this bill. Some of her constituents are not even aware that there is a school district website. She would welcome adding that requirement to this bill. “We need to do a better job having these conversations with our constituents.”

**Q: Senator Carson** – It starts the process, especially for citizens who are following along with their town’s budget deliberations. She would like to add these ideas to this bill.

**Q: Senator Rosenwald** – She always thinks information is good if it is used. Rep. Peternel brought up that people don’t know how to find their school district’s website. Many of these grants are accepted by NH state agencies, such as the Departments of Safety or Education. What would “the footing” be when citizens want to reject this federal money? The districts are not in charge of that; the NH executive branch agencies are. How would that work?

**A: Rep. Peternel** - Some districts apply independently and have their own grant writers.

**Q: Senator Rosenwald** – Are you referring only to grants that local districts apply for?

**A: Rep. Peternel** – If the taxpayers want that information, they should have it.

**Q: Senator Altschiller** – She referenced a budget from a school district in her community. This budget shows an itemization of federal funding, such as IDEA. Do you think that not all school districts are sharing this information?

**A: Rep. Peternel** – I don't think that is the case. It's not the standard grants, such as Title I or IDEA. This bill is focused on the additional grants that the districts receive.

### **Ann Marie Banfield, Parent Advocate**

- This bill promotes fiscal transparency, accountability and public trust in local education governance.
- Requiring disclosure of all funds disbursed to a school district ensures that taxpayers, parents, and school board members can identify how public dollars are entering the system and how they are being used.
- It improves oversight through tracking of categorical grants, federal program funding, and special-purpose allocations that may come with conditions or long-term obligations for districts.
- Ms. Banfield cited the Seabrook School Board as an example of the need for a disclosure requirement. The board accepted a federal community schools grant, but then later voted to reject it after members learned more about the grant's conditions.
- Too often, grants are accepted administratively or with limited public discussion. Later, school boards, teachers and parents discover the extent to which those grant funds obligate districts to specific policies, programs or instructional approaches in the classroom.
- Taxpayers who fund public education have a right to know when money is received, from whom, and under what circumstances. Transparency is a critical component of responsible government.

### **Mark Manganiello** – Bureau of School Finance, NH Department of Education

- There are no technical issues about categorizing anticipated and unanticipated funds; the issues with this bill that arose last session have been resolved.