

HB 1586-FN - AS INTRODUCED

2026 SESSION

26-3242

07/09

HOUSE BILL ***1586-FN***

AN ACT allowing the commissioner of the department of education to withhold funds from public schools if such schools are not providing special education services in compliance with state law.

SPONSORS: Rep. Noble, Hills. 2; Rep. Freeman, Belk. 8; Sen. Sullivan, Dist 18

COMMITTEE: Education Funding

ANALYSIS

This bill allows the commissioner of the department of education to withhold funds from public schools if such schools are not providing special education services in compliance with state law.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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-Six

AN ACT allowing the commissioner of the department of education to withhold funds from public schools if such schools are not providing special education services in compliance with state law.

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

1 1 Education; Chartered Public Schools; Establishment; Application; Amendment; Procedure.

2 Amend RSA 194-B:3, VI(c) to read as follows:

3 (c) Nothing in this section shall be construed to limit a school district's obligation to
4 provide special education services to all qualifying students residing in the district consistent with
5 the requirements of state and federal law. ***Should a public school fail to abide by this section,***
6 ***the commissioner of the department of education shall halt all sources of public funding to***
7 ***that school until such time as the school comes into compliance with this section. The***
8 ***commissioner shall notify the state treasurer if a public school is not in compliance with***
9 ***this section, at which time the treasurer shall halt all forms of public funding to the school***
10 ***until the commissioner has certified the school come into compliance with this section.***

11 2 New Subparagraph; Education; Chartered Public Schools; Authority and Duties of Board of
12 Trustees. Amend RSA 194-B:5, VIII by inserting after subparagraph (c) the following new
13 subparagraph:

14 (d) Should a public school fail to abide by this section, the commissioner of the
15 department of education and the state treasurer shall halt all sources of public funding to that school
16 in the same manner described in RSA 194-B:3, VI(c).

17 3 Effective Date. This act shall take effect 60 days after its passage.

**HB 1586-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT allowing the commissioner of the department of education to withhold funds from public schools if such schools are not providing special education services in compliance with state law.

FISCAL IMPACT: This bill does not provide funding, nor does it authorize new positions.

Estimated State Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
Revenue	\$0	\$0	\$0	\$0
<i>Revenue Fund(s)</i>	None			
Expenditures*	\$0	\$80,000	\$84,000	\$87,000
<i>Funding Source(s)</i>	General Fund			
Appropriations*	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

*Expenditure = Cost of bill

*Appropriation = Authorized funding to cover cost of bill

Estimated Political Subdivision Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
Local Revenue	\$0	\$0	\$0	\$0
Local Expenditures	\$0	Indeterminable		

METHODOLOGY:

This bill requires the Department of Education to withhold funds from public schools if such schools are not providing special education services for students in charter schools in compliance with state law. The Department has provided the following for interpreting this bill for fiscal impact purposes:

- This language states that when school districts do not provide services to students with disabilities receiving special education the district will have all state and federal funds halted until they are complying with this section. Currently school districts can only provide services in the student’s Individualized Education Program (IEP). It is unclear how it would be determined that a school district is not providing services per the student’s IEP.
- The Department understands this bill to amend language around the implementation of a Memorandum of Understanding (MOU) between school districts and charter schools.

The proposed legislation would again withhold a school district's state and federal funding if they do not complete an MOU with the charter school. It is unclear if the school district would also have funds withheld if the charter school did not cooperate with the school district to develop the MOU or if the charter school would then have their funds withheld. The Bureau of Special Education Support currently tracks MOUs between school districts and charter schools so this would not be an additional cost.

- It is unclear if a state can withhold federal funding based on state law.

The Department states as there are many factors that are unclear in this bill, it is unable to determine if it would incur a fiscal impact. If the responsibility for determining if a school district is providing services falls to the Bureau of Special Education Support, the Department states it could potentially require one staff member to oversee this as they would need to be tracking all students on IEPs in charter schools to ensure all students are receiving their services. The estimated cost for this position (SOC 23-03, step 4) is \$80,000 in FY 2027, \$84,000 in FY 2028, and \$87,000 in FY 2029. This bill provides neither authorization nor appropriation for new personnel.

It is unknown if this bill will have any direct impact on local school districts to ensure compliance. Costs, if any, are indeterminable and would vary by district.

AGENCIES CONTACTED:

Department of Education