

HB 1714-FN - AS INTRODUCED

2026 SESSION

26-2966
07/09

HOUSE BILL ***1714-FN***

AN ACT authorizing the state to issue bonds to fund public school expenses.

SPONSORS: Rep. Markell, Rock. 18; Rep. Korzen, Coos 7; Rep. W. MacDonald, Rock. 16

COMMITTEE: Education Funding

ANALYSIS

This bill authorizes the state to issue bonds to fund public school expenses.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 authorizing the state to issue bonds to fund public school expenses.

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

1 1 New Section; The State and Its Government; State Bonds; Bonds Issued for School Education
2 Funding. Amend RSA 6-A by inserting after section 14 the following new section:

3 6-A:15 Bonds Issued for School Education Funding.

4 I. Notwithstanding any provision of law to the contrary, the state treasurer shall issue
5 bonds to fund public schools with such terms and conditions as may be determined by the governor
6 and executive counsel, in accordance with RSA 6-A:2.

7 II. Such bonds shall be issued in amounts sufficient to, but not greater than necessary to,
8 assist with or assure adequate funding for public schools in this state. The net proceeds from sales
9 of such bonds shall be deposited into the education trust fund established in RSA 198:39.

10 III. Upon a reasonable notice and request by an appropriate state authority, each school
11 administrative unit shall timely submit to appropriate state authorities all information reasonably
12 necessary to establish statewide base education adequacy aid payments, which shall include written
13 documentation detailing the total average daily student membership in residence, the total school
14 budget for the school year, and all other documents that may be reasonably required. All documents
15 submitted shall be subject to a public audit and review to establish their accuracy and relevance.

16 IV. Nothing in this section shall preclude or limit any municipality, town, or unincorporated
17 place from issuing bonds or warrants for this or a substantially similar purpose.

18 2 Effective Date. This act shall take effect upon its passage.

**HB 1714-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT authorizing the state to issue bonds to fund public school expenses.

FISCAL IMPACT:

Estimated State Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
Revenue	\$0	\$0	Indeterminable	
<i>Revenue Fund(s)</i>	Education Trust Fund			
Expenditures*	\$0	\$0	\$0	Indeterminable
<i>Funding Source(s)</i>	General Fund and Education Trust Fund			
Appropriations*	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

***Expenditure = Cost of bill**

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

METHODOLOGY:

This bill directs the State Treasurer to issue bonds to fund public schools with such terms and conditions as may be determined by the Governor and Executive Council. The bonds shall be issued in sufficient amounts, but not greater than necessary, to assist with or assure adequate funding for public schools in the state, with bond proceeds deposited into the state education trust fund. This bill makes no changes to the state funding formula currently established in law to provide adequate education grants. Therefore, the Department of Education assumes no changes in state expenditures to school districts will occur due to this bill. The Treasury Department assumes the following relative to issuance of bonds:

- Bond size of approximately \$1,082,900,000, which is based on the FY 2027 Adequate Education Aid budget (\$1,082,912,417).
- Bonds to be issued beginning in the spring of 2028 to fund adequate education appropriations for the 2028-2029 biennium only.
- Fixed coupon of 5% will be applied.
- Amortization over 20 years with the debt service payments structured to accommodate the first principal payment in the following fiscal year after the debt issuance, paying 60% of the bonded principal amount in the first 10 years and 40% during the remaining 10 years.

For informational purposes, debt service payments (principal and interest), based on the above assumptions, would be approximately \$119M in FY 2029 and \$235M in FY 2030. Payments decline from \$229M in FY 2031 until final payment of \$45M in FY 2049.

In addition, the Treasury Department notes the following:

- The debt limit pursuant to RSA 6-C may be exceeded if the cost of funding an adequate education was bonded. Actual and projected tax-supported debt cannot exceed 10% of unrestricted general fund revenue.
- Pursuant to RSA 9:8-b, the state is not to use bonded indebtedness to fund operating appropriations.

Ultimately, this bill's potential impact on state education trust fund revenue, relative to receiving bond proceeds, and state education trust fund or general fund expenditures, relative to debt service payments, is indeterminable. Such impacts would be based on actions of the Governor and Executive Council, and statutory changes related to education funding aid to districts.

AGENCIES CONTACTED:

Treasury Department and Department of Education