

HB 1818-FN - AS INTRODUCED

2026 SESSION

26-2494  
07/08

HOUSE BILL            ***1818-FN***

AN ACT                enabling grants for school construction to also be used to consolidate structures and facilities.

SPONSORS:            Rep. Ladd, Graf. 5

COMMITTEE:          Education Funding

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ANALYSIS

This bill allows grants for school construction projects to be used to consolidate school structures and facilities and creates a fund dedicated to consolidating school facilities.

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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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 enabling grants for school construction to also be used to consolidate structures and facilities.

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

1 1 New Subparagraph; The State and Its Government; State Treasurer; Application of Receipts.  
2 Amend RSA 6:12, I(b) by inserting after subparagraph (410) the following new subparagraph:

3 (411) Moneys deposited in the school facility consolidation incentive fund established  
4 in RSA 21-N:15.

5 2 New Subdivision; School Facility Consolidation Incentive Fund. Amend RSA 21-N by  
6 inserting after section 13 the following new subdivision:

7 School Facility Consolidation Incentive Fund

8 21-N:14 Definitions. For the purpose of this subdivision:

9 I. "Department" means the department of education.

10 II. "Eligible applicant" means a public school district or group of districts, including  
11 cooperative school district or districts, that proposes to consolidate and close a school facility or  
12 facilities currently being operated for educational purposes to educate students.

13 III. "Consolidation project" means any activity that results in a measurable reduction in the  
14 number of facilities operated by the applicant, the establishment of tuition, or cooperative  
15 arrangements that reduce redundancy and improve student access to educational programs.

16 21-N:15 Fund Established. There is hereby established a fund to encourage, support, and  
17 provide financial assistance to public schools and school districts that close underutilized schools by  
18 facility consolidation and enter into tuition and cooperative agreements that increase educational  
19 opportunity and operational efficiency. The fund shall be known as the school facility consolidation  
20 incentive fund. The department shall administer the fund.

21 21-N:16 Grants Established.

22 I. The department may award grants from the school facility consolidation incentive fund to  
23 support projects that will result in a facility closure. An eligible school facility consolidation project  
24 award shall not exceed \$1,500,000 per district in any fiscal year and may be used for the following:

25 (a) The planning, design, or implementation of consolidation projects;

26 (b) Facility closure and decommissioning;

27 (c) The establishment or expansion of tuition or cooperative agreements under RSA 194  
28 and RSA 195;

29 (d) Transition costs, including transportation planning, technology alignment, or  
30 community engagement;

1           (e) Renovation costs;

2           (f) Per-pupil grant awards, to be distributed for up to 5 years, not to exceed an amount to  
3 be established by rule pursuant to RSA 541-A, to offset tuition costs associated with new or  
4 expanded tuition agreements as a result of consolidations and facilities closure; and

5           (g) Other costs approved by the commissioner that are directly related to improving  
6 efficiency and educational opportunity through consolidation.

7           II. Facilities closed upon receiving funds under this subdivision shall remain closed for at  
8 least 20 years. Any school or school district that violates this subdivision shall be required to repay  
9 the state the entirety of the grant moneys received. The commissioner may waive part or all of the  
10 penalty under this paragraph upon a showing of good cause by the school district or chartered public  
11 school.

12           21-N:17 Application Process.

13           I. The commissioner shall establish an application process for eligible entities to request  
14 grant funds under this subdivision.

15           II. Priority shall be given to applicants demonstrating:

16               (a) A facility utilization rate of less than 70 percent;

17               (b) Enrollment decline of 10 percent or more over the previous 5 years;

18               (c) Demonstrated cost savings or programmatic benefit from the proposed project;

19               (d) Districts with an operating cost per pupil, as determined by the department, that is  
20 15 percent higher than the state average cost per pupil; and

21               (e) Districts with an equalized valuation per pupil above greater than 35 percent of the  
22 state median-equalized valuation per pupil.

23           III. The department may provide planning grants of up to \$150,000 per applicant for  
24 feasibility or design studies and implementation grants of up to \$1,500,000 per project.

25           21-N:18 Administration.

26           I. The commissioner shall establish an interagency review committee to review and  
27 recommend awards, to be composed of the commissioner and representatives from:

28               (a) The department of administrative services;

29               (b) The department of business and economic affairs;

30               (c) The governor, or designee; and

31               (d) The state fire marshal's office.

32           II. The commissioner may accept and expend gifts, grants, or federal funds to supplement  
33 the school facility consolidation incentive fund.

34           21-N:19 Rulemaking. The commissioner may adopt rules, pursuant to RSA 541-A, relative to  
35 the implementation, administration, and oversight of this subdivision.

36           3 New Paragraph; Education; School Building Aid; Grant for School Construction. Amend RSA  
37 198:15-a by inserting after paragraph IV the following new paragraph:

1 IV-a. School building aid grant funds, pursuant to RSA 198:15-a, IV, shall include  
2 construction and renovation funding support for school building consolidation projects. The purpose  
3 of a school consolidation building grant award is to achieve long-term school district savings,  
4 efficient use of district resources, cutting operational, instructional, and administrative costs, and  
5 expanded educational opportunities by sharing staff, facilities, and access to curricular and co-  
6 curricular programs. As part of the school building aid program, an eligible consolidation project  
7 grant award shall be 50 percent of the department's approved project cost, provided that no public  
8 school consolidation grant award exceeds \$1,500,000 in any fiscal year.

9 4 Education; School Building Aid; Grant for School Construction. Amend RSA 198:15-a, V to  
10 read as follows:

11 V. The department of education shall develop and maintain a 10-year school facilities plan of  
12 potential school building grant projects. Potential projects shall include, but not be limited to,  
13 criteria pursuant to RSA 198:15-c, II(b). The 10-year plan is intended to create a method to identify  
14 and enhance school facilities in a safe, healthy, and efficient manner while providing adequate  
15 learning environments for New Hampshire's students. The 10-year plan shall be updated every  
16 biennium to provide the department a summary of projects and school facility capital expenditures  
17 that are anticipated for the next 10 years. The plan shall identify new construction, renovation, and  
18 emergency projects, and describe the overall condition of projects contained in the plan. In support  
19 of the 10-year plan, ~~[it is recommended that]~~ each district **shall** have in place and provide the  
20 department a long-range capital improvement program that identifies school facility goals, provides  
21 projected expenditures, and outlines procedures and guidelines to be followed to accomplish goals.  
22 Each district ~~[is encouraged to]~~ **shall** review and update the district's anticipated school facility  
23 capital improvement plan on a 2-year recurring basis or as needed. The department shall use this  
24 information to better plan, prioritize, and project new anticipated capital construction ~~[and],~~  
25 **building consolidation, and** renovation expenditures relative to the state building aid program.  
26 The state board of education shall adopt rules pursuant to RSA 541-A relative to this ~~[paragraph]~~  
27 **section.**

28 5 New Subparagraph; Education; School Money; Education Trust Fund Created and Invested.  
29 Amend RSA 198:39, I by inserting after subparagraph (q) the following new subparagraph:

30 (r) To fund school facility consolidation incentive grants pursuant to RSA 21-N:15.

31 6 Department of Education; Appropriation. There is hereby appropriated to the department of  
32 education the sum of \$10,000,000 for the fiscal year ending June 30, 2027 for the administration and  
33 distribution of school facility consolidation incentive fund grants under RSA 21-N:15. Such funds  
34 shall be nonlapsing and continually appropriated. Any earnings shall be added to the fund.  
35 Notwithstanding any provision of law to the contrary, the commissioner of the department of  
36 education is authorized to draw a warrant from the education trust fund to satisfy the state's

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1 obligation under this section upon approval from the joint fiscal committee of the general court, the  
2 governor, and the executive council.

3 7 Effective Date.

4 I. Section 3 of this act shall take effect July 1, 2027.

5 II. The remainder of this act shall take effect 60 days after its passage.

**HB 1818-FN- FISCAL NOTE**  
AS INTRODUCED

AN ACT enabling grants for school construction to also be used to consolidate structures and facilities.

**FISCAL IMPACT:**

<b>Estimated State Impact</b>				
	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>
<b>Revenue</b>	\$0	\$0	\$0	\$0
<i>Revenue Fund(s)</i>	None			
<b>Expenditures*</b>	\$0	<u>DOE Positions</u> \$176K in FY 27, \$218K in FY 28, and \$226K in FY 29  <u>SFCIF Grants</u> FY 27 and Beyond - Indeterminable (Up To \$10M Appropriation)		
<i>Funding Source(s)</i>	Education Trust Fund, General Fund, and School Facility Consolidation Incentive Fund			
<b>Appropriations*</b>	\$0	\$10,000,000	\$0	\$0
<i>Funding Source(s)</i>	Education Trust Fund			

\*Expenditure = Cost of bill

\*Appropriation = Authorized funding to cover cost of bill

<b>Estimated Political Subdivision Impact</b>				
	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>
<b>Local Revenue</b>	\$0	Indeterminable Increase		
<b>Local Expenditures</b>	\$0	Indeterminable		

**METHODOLOGY:**

This bill allows creates a School Facility Consolidation Incentive Fund (SFCIF), administered by the Department of Education, to support projects that will result in a school facility closure, and requires school districts to have in place and provide to Department a long-range capital improvement program that identifies school facility goals, provides projected expenditures, and outlines procedures and guidelines to be followed to accomplish goals (current law only recommends that school districts have this information in place and provide it to the Department). The Department states these will have budget implications, and each will be discussed separately below.

School Facility Consolidation Incentive Fund (SFCIF)

This bill establishes a new grant program, to be administered by the Department, along with a new dedicated fund, and a \$10 million appropriation from the education trust fund in FY 2027. The Department states it does not currently have the staffing resources to complete the extensive work required by this bill. The Department states it would need to add one position (SOC 11-04) with an estimated cost of \$88,000 for FY 2027, \$109,000 for FY 2028, and \$113,000 for FY 2029 (assuming a start date of September 1, 2026). While there is no direct authorization for a new position in this bill, it allows for the Department to use SFCIF funds for the “administration” of the grants.

The Department states there would also be expenditures associated with awards given to school districts for both planning grants up to \$150,000 and for consolidation project grants up to \$1,500,000 per district per fiscal year. As the Department cannot predict how many school districts would participate in the grant program each year, the impact on state expenditures is considered indeterminable. The range of potential annual state expenditures and local revenue specific to grant awards would range from \$0 (no participation in the program) to \$10,000,000 (full participation in the program).

#### School Facilities Improvement Plan

The Department states it does not currently have the staffing resources to complete the extensive work required by this bill. The Department states it would need to add one position (SOC 11-04) with an estimated cost of \$88,000 for FY 2027, \$109,000 for FY 2028, and \$113,000 for FY 2029 (assuming a start date of September 1, 2026). There is no direct authorization for funding a new position in this bill.

The Department expects there would be an increase in local school district expenditures as this bill changes the requirement that school districts to have in place and provide to NHED a long-range facility capital improvement program from “may” to “shall”. The Department does not know which districts currently maintain such a program, and if they do, does it meet the specific requirements of this bill. Impacts, if any, are indeterminable and would vary by district.

#### **AGENCIES CONTACTED:**

Department of Education