

HB 1823-FN - AS INTRODUCED

2026 SESSION

26-2803  
07/09

HOUSE BILL            ***1823-FN***

AN ACT                requiring every school, school district, and school administrative unit to produce independent audits and financial reports to be posted publicly and sent to the department of education and the department of revenue administration.

SPONSORS:            Rep. Damon, Sull. 8; Rep. Girard, Sull. 6; Rep. Luneau, Merr. 9; Rep. Colby, Merr. 9; Rep. Fellows, Graf. 8; Rep. Bricchi, Merr. 15; Rep. Peeples, Hills. 14

COMMITTEE:          Education Policy and Administration

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ANALYSIS

This bill requires every school, school district, and school administrative unit to produce independent audits and financial reports to be posted publicly and sent to the department of education and the department of revenue administration.

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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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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                    requiring every school, school district, and school administrative unit to produce independent audits and financial reports to be posted publicly and sent to the department of education and the department of revenue administration.

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

1            1 New Section; Education; School Performance and Accountability; Annual Independent Audit.

2 Amend RSA 193-H by inserting after section 5 the following new section:

3            193-H:6 Annual Independent Audit.

4            I. Every school administrative unit, school district, and school that receives state funding  
5 shall be required to have an annual audit performed by an independent auditor. An audit report  
6 shall be submitted to the department of revenue administration and the department of education  
7 within 180 days of the end of the fiscal year. The audit shall follow the provisions of RSA 21-J:19.  
8 The findings and recommendations of the audit shall be reviewed at the next meeting of the  
9 governing body.

10            II. If the audit report submitted under paragraph I informs of material deficiencies, the  
11 department of education shall designate an individual at the department to receive quarterly  
12 financial reports from the school entity, whom shall consult with the school entity to address  
13 financial- and operational-related concerns. The department and state board shall consult with the  
14 district school board on the development and implementation of a remedial plan to address specific  
15 areas of concern. Financial reports shall be submitted to the department of education at least  
16 quarterly until the material deficiencies are resolved.

17            III. All audits shall be posted to school administrative unit, school district, and school  
18 websites, as well as provided to the corresponding superintendent, business administrator, district  
19 treasurer, chief operating officer, local school board members, and state board of education members.

20            IV. The business administrator, or their designee, shall be required to provide all necessary  
21 data to the independent auditor in a timely manner to assist in the completion of the report required  
22 under paragraph I.

23            V. All audits shall include comparisons to data submitted to the department of education  
24 from the corresponding fiscal year.

25            VI. Notwithstanding any provision of law to the contrary, the department of education shall  
26 be empowered to withhold funding for any school administrative unit, school district, and school that  
27 fails to comply with this section.

28            2 Effective Date. This act shall take effect 60 days after its passage.

**HB 1823-FN- FISCAL NOTE**  
AS INTRODUCED

AN ACT requiring every school, school district, and school administrative unit to produce independent audits and financial reports to be posted publicly and sent to the department of education and the department of revenue administration.

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

<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	Indeterminable		
<i>Revenue Fund(s)</i>	Education Trust Fund			
<b>Expenditures*</b>	\$0	<u>DOE Staffing/Administration</u> \$534K in FY27, \$461K in FY28, and \$484K in FY29  <u>State Aid Payments</u> Indeterminable		
<i>Funding Source(s)</i>	General Fund and Education Trust Fund			
<b>Appropriations*</b>	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

\*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		
<b>Local Expenditures</b>	\$0	Indeterminable		

**METHODOLOGY:**

This bill requires school district and charter public schools to submit an audit to the department of education within 180 days after fiscal year close. Audits reporting material deficiencies will require additional reporting to be submitted to the Department of Education. To effectively manage the review, tracking, and oversight of 179 school district and 35 charter school audits, the Department would need two positions focused on district public schools and one position for charter schools. Furthermore, a contract amendment to develop a new module within an existing software system would require \$75,000.

	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>
Two (2) District Auditors (SOC 13-09, Starting Step 9)	\$320,000	\$318,000	\$334,000

One (1) Charter School Auditor (SOC 13-09, Starting Step 5)	\$139,000	\$143,000	\$150,000
Contract Expense	\$75,000	\$0	\$0
<b>Total</b>	<b>\$534,000</b>	<b>\$461,000</b>	<b>\$484,000</b>

The Department states it would set a reasonable policy of when audits needed to be submitted before funding would halt. While warnings and the publication of that policy and standard would occur, it is expected that in future fiscal years districts and charter school may not meet that requirement. Therefore, distribution of state aid may be delayed in future fiscal years which would increase State interest revenue for the Education Trust Fund Revenue and increase district and charter school interest payments who elect to borrow funds and would be charged interest.

**AGENCIES CONTACTED:**

Department of Education