

HB 1834-FN - AS INTRODUCED

2026 SESSION

26-3182

04/09

HOUSE BILL            ***1834-FN***

AN ACT                relative to the education freedom account enrollment cap.

SPONSORS:            Rep. Weinstein, Rock. 10; Rep. Bricchi, Merr. 15; Rep. M. Murray, Hills. 37; Rep. Selig, Straf. 10; Rep. Cornell, Hills. 22; Rep. Balboni, Rock. 38; Rep. Woodcock, Carr. 1; Rep. Luneau, Merr. 9; Rep. Damon, Sull. 8

COMMITTEE:          Education Policy and Administration

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ANALYSIS

This bill limits the number of education freedom accounts allowed through 2027.

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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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 relative to the education freedom account enrollment cap.

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

1       1 Application for Education Freedom Accounts; Enrollment Cap. Amend RSA 194-F:3, I-a to  
2 read as follows:

3       I-a. For the 2025-2026 **and the 2026-2027** school year, the enrollment cap shall be 10,000.  
4 For each subsequent year, if the total enrollment of the prior year is greater than 90 percent of the  
5 prior year's enrollment cap, then the enrollment cap shall be increased once by 25 percent when  
6 enrollment begins for the year. The department of education shall publish on its website  
7 information identifying the enrollment cap when it is increased pursuant to this paragraph.

8       2 Effective Date. This act shall take effect 60 days after its passage.

**HB 1834-FN- FISCAL NOTE**  
**AS INTRODUCED**

AN ACT relative to the education freedom account enrollment cap.

**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	Decrease of Approximately \$6.3 Million	Indeterminable	
<i>Funding Source(s)</i>	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	\$0	Indeterminable	
<b>Local Expenditures</b>	\$0	\$0	\$0	\$0

**METHODOLOGY:**

This bill extends the school year 2025-2026 (FY 2026) Education Freedom Account (EFA) program participation cap of 10,000 through the 2026-2027 school year (FY 2027). Under current law, the school year 2026-2027 cap is set to increase to 12,500. This bill would have FY 2028 be the first year in which a cap adjustment would occur.

In FY 2026, the number of students enrolled in the EFA program for the November payment was 10,510 (current law allows priority students to continue enrolling after the cap is met, with no restrictions). Current law also specifies that existing EFA students qualify for priority status in subsequent years. Based on these provisions in the law and the current number of enrollees, it is known that the total number of EFA students in FY 2027 will exceed 10,000 despite holding the cap constant. Based on trends in the enrollment of priority students, the Department of Education estimates 11,250 students in FY 2027.

The estimated impact of the proposed bill in FY 2027 using the assumptions outlined above, and holding the share of students qualifying for differential aid constant at the November 2025 level, is outlined in the table below:

<b>FY 2027</b>	<b>Estimated Enrollment</b>	<b>Average Cost Per Student</b>	<b>Expected Annual Expenditures</b>
Current Law	12,500	\$5,010	\$62,625,000
Proposed Bill	11,250	\$5,010	\$56,362,500
<b>Decrease</b>			<b>(\$6,262,500)</b>

Based on these assumptions, this bill would result in a decrease in EFA expenditures of just under \$6.3 million in FY 2027. Non-priority students who would have participated in the EFA program under current law in school year 2026-2027, and beyond, but will be prevented from participating by the reduced cap, will have to seek alternative educational pathways. Some of these, such as non-public schools and home education, yield no additional costs for the state, while district and charter schools could net costs greater than those saved by the decrease in EFA student enrollments proposed by the law. Actual costs would depend on the number of students selecting each of these alternatives, which is uncertain. The following provides information about different scenarios under which a student may access the EFA program:

- Students entering the program from home education or non-public systems would result in an increased expense for the state equal to the cost of the average EFA grant in the respective year.
- Students entering the program from an in-person chartered public school would have a net savings for the state of \$5,407 (FY 2027 charter adequacy aid of \$10,417 minus the average EFA grant in that year).
- Students entering the program from a district public school would have a net cost to the state if the student left a community with a statewide education property tax (SWEPT) grant in excess of the calculated cost of an adequate education. This net cost would be equal to the amount of the average EFA grant, which is estimated to be \$5,010 per student for FY 2027.
- Students entering the program from a public district school in a non-excess SWEPT community would result in a decrease to the adequacy grant for their resident district. This decrease is estimated to be \$2,040 (FY 2027 non-excess SWEPT community of \$7,050 minus the average EFA grant in FY 2027) based on the difference between the average total grant per student.

**AGENCIES CONTACTED:**

Department of Education

