

HB 1835-FN - AS INTRODUCED

2026 SESSION

26-2563

04/09

HOUSE BILL ***1835-FN***

AN ACT relative to the formula for distribution of aid to school districts.

SPONSORS: Rep. Raymond, Hills. 5; Rep. Damon, Sull. 8; Rep. Gregg, Hills. 7

COMMITTEE: Education Funding

ANALYSIS

This bill restructures special education funding to reflect the actual costs of services provided to students.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 formula for distribution of aid to school districts.

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

1 1 Special Education; Reimbursement Procedures. Amend RSA 198:40-a, II(d) to read as follows:

2 (d) ~~[An additional \$2,100 for each pupil in the ADMR who is receiving special education~~
3 ~~services anytime during the determination year]~~ ***As part of the cost of an adequate education,***
4 ***the state shall reimburse school districts on a quarterly basis 80 percent of the cost of***
5 ***services provided to a "child with a disability," as defined by RSA 186-C:2, I, necessary to***
6 ***comply with the individual education program to be implemented for that child pursuant***
7 ***to RSA 186-C:7 or required under federal law pursuant to the Individuals with Disabilities***
8 ***Education Act, 20 United States Code section 1400. The state, through the department of***
9 ***education, shall reimburses 80 percent of special education costs to the school district***
10 ***within 90 days of the department's receipt of billing information. Districts may borrow***
11 ***funds pursuant to RSA 198:20-d to be redeemed upon receipt of reimbursement from the***
12 ***state.***

13 2 Special Education; Reimbursement Procedures. Amend RSA 198:20-d to read as follows:

14 198:20-d Reimbursement Anticipation Notes. Notwithstanding any other provision of law to the
15 contrary, a school district or a city with a dependent school district may incur debt in anticipation of
16 reimbursement under RSA ***198:40-a, II(d)*** ~~[186-C:18]~~ and under RSA 198:42. The governing body,
17 after notice and public hearing, may elect to borrow such funds and to recognize the proceeds of the
18 borrowing as revenue for property tax rate setting purposes by providing written notification to the
19 commissioner of the department of revenue administration stating the specific amount of borrowing
20 to be recognized as revenue. Any borrowing under this section shall be exempt from the provisions
21 of RSA 33, relative to debt limits.

22 3 Setting of Tax Rates; Distribution. Amend RSA 21-J:35, VII(d) to read as follows:

23 (d) Department of education: federal forest land aid pursuant to RSA 227-H:20 through
24 RSA 227-H:22, state aid for an adequate education pursuant to RSA 198:40-a, school building aid
25 pursuant to RSA 198:15-a, and special education aid pursuant to RSA ~~[186-C:18]~~ ***198:40-a, II(d)***.

26 4 Rulemaking; Board of Education. Amend RSA 21-N:9, II(l) to read as follows:

27 (l) Special education programs affecting all children with disabilities, as authorized by
28 RSA 186-C:5, 186-C:16 and ~~[186-C:18, V]~~ ***198:40-a, II(d)***.

29 5 Definitions; Unanticipated Special Education Cost Recovery. Amend RSA 186-D:1, V to read
30 as follows:

1 V. "Unanticipated special education cost recovery" means the program providing school
2 districts with expanded pathways to recover those costs that are directly associated with special
3 education provided to students assigned to the school district and payable under RSA ~~[186-C:18]~~
4 **198:40-a, II(d)** that occur after school budgets are fixed.

5 6 Requests for Proposals; Special Education. Amend RSA 186-D:4, I(a) to read as follows:

6 (a) Annual cost, based on actuarial calculations, of self-funding a reimbursement pool
7 including individual cost structure for each school district's unreimbursed costs directly associated
8 with special education provided to students assigned to the school district and payable under RSA
9 ~~[186-C:18]~~ **198:40-a, II(d)**.

10 7 Requests for Proposals; Special Education. Amend RSA 186-D:4, IV to read as follows:

11 IV. If the decision is to self-fund, the association board shall provide each member with an
12 outline indicating, at minimum, the cost for the district and the risk pool reimbursement period,
13 which shall be not more than 3 months after the state has reimbursed each school district in the
14 association for the final portion of special education state aid under RSA ~~[186-C:18]~~ **198:40-a, II(d)**.
15 Any eligible special education expenses incurred by a member school district that were not
16 reimbursed by the state and were not reimbursed by a purchased insurance product through the
17 association shall be reimbursed by the risk pool to the full extent permitted by the risk pool
18 governing agreement.

19 8 School Attendance; Duty of Parent. Amend RSA 193:1, I(c) to read as follows:

20 (c) The relevant school district superintendent has excused a child from attendance
21 because the child is physically or mentally unable to attend school, or has been temporarily excused
22 upon the request of the parent for purposes agreed upon by the school authorities and the parent.
23 Such excused absences shall not be permitted if they cause a serious adverse effect upon the
24 student's educational progress. Students excused for such temporary absences may be claimed as
25 full-time pupils for purposes of calculating state aid under RSA ~~[186-C:18]~~ **198:40-a, II(d)** and
26 adequate education grants under RSA 198:41;

27 9 Reimbursement Anticipation Notes. Amend RSA 198:20-d to read as follows:

28 198:20-d Reimbursement Anticipation Notes.

29 Notwithstanding any other provision of law to the contrary, a school district or a city with a
30 dependent school district may incur debt in anticipation of reimbursement under RSA ~~[186-C:18]~~
31 **198:40-a, II(d)** and under RSA 198:42. The governing body, after notice and public hearing, may
32 elect to borrow such funds and to recognize the proceeds of the borrowing as revenue for property tax
33 rate setting purposes by providing written notification to the commissioner of the department of
34 revenue administration stating the specific amount of borrowing to be recognized as revenue. Any
35 borrowing under this section shall be exempt from the provisions of RSA 33, relative to debt limits.

36 10 Education Trust Fund Created and Invested. Amend RSA 198:39, I(l) to read as follows:

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1 (1) To distribute special education aid to school districts pursuant to RSA [~~186-C:18~~
2 ***198:40-a, II(d)***.

3 11 Repeal. RSA 186-C:18, relative to state financial aid for extraordinary special education
4 costs, is repealed.

5 12 Effective Date. This act shall take effect 60 days after its passage.

LBA
26-2563
12/17/25

**HB 1835-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to the formula for distribution of aid to school districts.

FISCAL IMPACT:

The Office of Legislative Budget Assistant is unable to complete a fiscal note for this bill as it is awaiting information from the Department of Education. The Department was initially contacted on 11/5/25 for a fiscal note worksheet, with follow-up contact made on 12/5/25. When completed, the fiscal note will be forwarded to the House Clerk's Office.

AGENCIES CONTACTED:

Department of Education