

HB 1816-FN - AS AMENDED BY THE HOUSE

11Mar2026... 0983h

2026 SESSION

26-2410  
07/08

HOUSE BILL

***1816-FN***

AN ACT relative to the intervention of the department of education into a school or school district during a financial emergency.

SPONSORS: Rep. Ladd, Graf. 5; Rep. Spilsbury, Sull. 3; Rep. Popovici-Muller, Rock. 17; Rep. Peoples, Hills. 14; Rep. Kofalt, Hills. 32; Sen. Ward, Dist 8; Sen. Innis, Dist 7

COMMITTEE: Education Funding

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ANALYSIS

This bill allows the commissioner of the department of education to initiate and implement a district recovery plan if a school district's financial and operational condition is deemed a financial emergency by the state board of education.

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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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 intervention of the department of education into a school or school district during a financial emergency.

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

1 1 New Section; The State School Organization; State Board of Education; Financial Emergency  
2 Powers of the State Board. Amend RSA 186 by inserting after section 5 the following new section:

3 186:5-a Financial Emergency Powers of the State Board.

4 I. Nothing in this section shall be construed to permit either the department of education or  
5 the state board of education to take control of the daily operations of any local public school district  
6 or school, unless the financial and operational condition of the local public school district or school is  
7 deemed a financial emergency by the state board of education necessitating department intervention  
8 and oversight. In such an emergency, the commissioner of the department of education shall have  
9 authority to assist the school district or school in developing a recovery plan and to oversee such plan  
10 to leverage resources to address core financial needs. The recovery plan may consider:

- 11 (a) Altering administrative practices and operating conditions;
- 12 (b) Reallocating school district or school resources;
- 13 (c) Renegotiating contracts and agreements; and
- 14 (d) Department oversight of school district or school governance, organizational  
15 structure, and/or administrative services identified in RSA 194-C:4, II for up to one year.

16 II. For purposes of this section, "school in financial emergency" or "school district in financial  
17 emergency" necessitates that immediate oversight providing corrective and technical assistance by  
18 the department is imperative for the school district or school to meet its financial, operational, and  
19 instructional responsibilities for all school-age children. The state board of education shall adopt  
20 rules, pursuant to RSA 541-A, relative to implementing corrective and technical assistance to a  
21 school district or school in a state of financial emergency.

22 III. The department of education may request up to \$200,000 from the education trust fund  
23 into a non-lapsing reserve fund for the purpose of corrective and technical assistance necessary to  
24 implement a district financial emergency recovery plan pursuant to this section.

25 2 Effective Date. This act shall take effect January 1, 2027.

**HB 1816-FN- FISCAL NOTE**  
 AS AMENDED BY THE HOUSE (AMENDMENT #2026-0983h)

AN ACT relative to the intervention of the department of education into a school or school district during a financial emergency.

**FISCAL IMPACT:**

Estimated State Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
<b>Revenue</b>	\$0	\$0	\$0	\$0
<i>Revenue Fund(s)</i>	None			
<b>Expenditures*</b>	\$0	Indeterminable (Possibly No Impact)		
<i>Funding Source(s)</i>	General Fund and Education Trust Fund			
<b>Appropriations*</b>	\$0	See Methodology Below		
<i>Funding Source(s)</i>	None			

**\*Expenditure = Cost of bill**

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

**METHODOLOGY:**

This bill, effective January 1, 2027, authorizes the State Board of Education to declare a school or school district in “financial emergency” and, in such cases, allows the Department of Education to provide temporary oversight and assistance to develop and implement a financial recovery plan. The plan may include changes to administration, resource allocation, contracts, and governance for up to one year, while maintaining local control outside of emergency conditions.

Potential costs, if any, to the Department of Education are unknown. The bill intends to allow for the Department to request up to \$200,000 from the education trust fund to a "non-lapsing reserve fund" to support corrective and technical assistance. This is assumed to be no more than \$200,000 per district financial emergency recovery plan. Please note the following relative to this section:

- This states the Department may "request" funds, but is silent on approval required (i.e., Governor and Executive Council, Joint Legislative Fiscal Committee, etc...).
- This allows for the Department to "request" funds, however, it provides no appropriation ("spending") authority.
  - o Similarly, this bill lacks "warrant language" for the allocation of the education trust fund dollars to the "non-lapsing reserve fund".

**AGENCIES CONTACTED:**

Department of Education