Senate Education Finance Committee

Karen Davis 271-7875

HB 1495, allowing a reimbursement anticipation note to be used as collateral in certain circumstances.

Hearing Date: April 1, 2026

Time Opened: 1:22 p.m. **Time Closed**: 1:37 p.m.

Members of the Committee Present: Senators Murphy, Carson, Ward, Rosenwald and Altschiller

Members of the Committee Absent : Senator Innis

Bill Analysis: This bill allows school districts to borrow and categorize funds as revenue, so long as they are only used for the same purpose as anticipated funds.

Sponsors:

Rep. Ladd	Rep. Spilsbury	Rep. Popovici-Muller
Rep. Peeples	Rep. Damon	Sen. Innis
Sen. Sullivan		

Who supports the bill: Rep. Daniel Popovici-Muller, Cory Stone

Who opposes the bill: Curtis Howland, Priscilla Dube

Who is neutral on the bill: No one.

Summary of testimony presented in support:

- **Representative Rick Ladd**, Haverhill, NH - Prime Sponsor

Rep. Ladd said this bill would allow school districts to borrow and categorize funds as revenue, so long as they were only used for the same purpose as the anticipated funding source. He explained that reimbursement anticipation note (RAN) funds came from two sources: RSA 186-C:18, which was special education aid, and RSA 198:42, which were adequacy education grants. He described a RAN as a short-term financial tool used by school districts to cover temporary cash flow gaps

This bill was developed after the Claremont funding crisis last August. If Claremont or any other school district borrowed from anticipated special education aid, they would be required to use those funds on special education services.

Rep. Ladd stated that there was not enough federal money being provided for special education services in New Hampshire. In Claremont, several students were placed out of district due to their IEP, which he said cost $1.2 million.

Up until this time, the district could use RAN funds for education-related expenses, such as fixing the school roof. If passed, this bill would tighten that how RAN monies could be used.

Q: Sen. Cindy Rosenwald – She didn't see a limit on how long the district could carry these RAN funds on their books. Was it just for the school year?

A: Rep. Ladd - He replied that the bill was narrow in scope and that RAN funds must be used for a similar purpose from the pot of money it came from. This would be done through written notification to the commissioner of the department of revenue administration (DRA),

Q: Sen. Rosenwald – She stated that this bill involved pre-asking for adequacy grants and estimating what special education funding the district may receive.

A: Rep. Ladd - He replied that a district was aware of their quarterly adequacy payments and their special education aid based on the prior year. Some districts had asked for the funding in advance so that it could be used as collateral.

Q: Sen. Keith Murphy – Did 198:20-d read the same as what was contained in the bill, and it would only add one sentence? He read from line 9: "Note proceeds shall only be used for the same purpose as the anticipated funds."

A: Rep. Ladd agreed.

Q: Sen. Debra Altschiller – She asked what precipitated wanting to make this change in law and whether there was a school that was using money inappropriately.

A: Rep. Ladd - He replied that the Claremont district was broke, and their RAN funds were looked into. The Claremont school district was able to borrow similar to a payday-type loan in anticipation of their adequacy and special education funds. "Paying off a salary or a debt that had nothing to do with the kids," he said. Special education funds should be used only on special education services, he contended.

Summary of testimony presented in opposition: None.

Neutral Information Presented: None.

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Date Hearing Report completed: April 8, 2026