

Amendment to HB 292

1 Amend the title of the bill by replacing it with the following:

2

3 AN ACT establishing a revolving loan fund for the Claremont school district.

4

5 Amend the bill by replacing all after the enacting clause with the following:

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7 1 Statement of Findings. The general court hereby finds that the Claremont school district
8 faces immediate and extraordinary fiscal challenges that may impact its ability to provide an
9 adequate education to its students as required by part II, article 83 of the New Hampshire
10 constitution and RSA 193-E.

11 2 New Subparagraph; The State and Its Government; State Treasurer; Application of Receipts.

12 Amend RSA 6:12, I(b) by inserting after subparagraph (410) the following new subparagraph:

13 (411) Moneys deposited in the Claremont school district adequacy revolving loan
14 fund established in RSA 194:63.

15 3 New Subdivision; Claremont School District; Funding. Amend RSA 194 by inserting after
16 section 61 the following new subdivision:

17 Claremont School District; Funding

18 194:62 Declaration of Intent. The intent of this subdivision is to provide a targeted, temporary
19 fiscal stabilization mechanism through the establishment of a Claremont school district adequacy
20 revolving loan fund to assist the district with cash flow in anticipation of adequacy payments.

21 194:63 Claremont School District Adequacy Revolving Loan Fund. There is hereby established
22 in the department of treasury a fund to be known as the Claremont school district adequacy
23 revolving loan fund, which shall be kept separate and distinct from all other funds. Moneys in the
24 fund shall be nonlapsing and shall be continually appropriated to the treasury, and shall be used to
25 provide loans to the Claremont school district.

26 194:64 Outstanding Loan Amount. At no time shall the total outstanding amount of loans made
27 under this subdivision exceed 75 percent of total adequacy funding to be distributed to Claremont
28 school district, pursuant to RSA 198:41, in any given year.

29 194:65 Certification of Disclosure. Notwithstanding any other provision of law to the contrary,
30 the Claremont school district adequacy revolving loan fund shall be considered an allowable use of
31 the education trust fund pursuant to RSA 198:39. Moneys may be appropriated from the education
32 trust fund to the Claremont school district adequacy revolving loan fund, with such funds then being

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1 loaned to the Claremont school district. Prior to the Claremont school district drawing upon the
2 adequacy revolving loan fund, the governing body of the Claremont school district shall authorize
3 such use of the fund by an affirmative vote of a majority of its members present and voting.
4 Additionally, prior to drawing any funds from the revolving loan fund, the Claremont school board
5 and superintendent shall file with the department of education a certification disclosing any activity
6 in the preceding 2 fiscal years relative to reimbursement anticipation notes issued pursuant to RSA
7 198:20-d. The governor is authorized to draw a warrant from the education trust fund to be placed
8 in the Claremont school district adequacy revolving loan fund within a fiscal year not to exceed the
9 sum of the following:

10 I. Seventy-five percent of total adequacy funding to be distributed to Claremont school
11 district pursuant to RSA 198:41 within the fiscal year of the warrant; and

12 II. Seventy-five percent of the total adequacy funding estimated by the department of
13 education to be distributed on September 1 of the following fiscal year pursuant RSA 198:41, IV and
14 RSA 198:42, I.

15 194:66 Loan Terms and Interest. Loans issued from the Claremont school district adequacy
16 revolving loan fund shall bear interest at a rate established by the state treasurer, which shall be
17 based on the state's current cost of borrowing. A quorum of the Claremont school district's governing
18 body, the commissioner of the department of education, and the state treasurer shall all agree to the
19 terms of the loan. When an adequacy payment is due to be distributed pursuant to RSA 198:42:

20 I. The portion of the adequacy payment equivalent to the outstanding principal and interest
21 balance of the revolving loan shall first be credited against such balance; and

22 II. Any remaining adequacy payment shall then be distributed to the Claremont school
23 district.

24 194:67 Excess Loan Funds and Loan Repayment. On June 30, 2030, any funds in the
25 Claremont school district adequacy revolving loan fund shall automatically transfer to the education
26 trust fund. All funds borrowed from the Claremont school district adequacy revolving loan fund
27 shall be repaid by the Claremont school district no later than June 30, 2030. Notwithstanding any
28 other provision of law, the Claremont school district shall not issue or borrow funds pursuant to RSA
29 198:20-d prior to July 2, 2030.

30 4 New Paragraph; Education; Adequate Education; Education Trust Fund; Education Trust
31 Fund Created and Established. Amend RSA 198:39 by inserting after paragraph IV the following
32 new paragraph:

33 V. Notwithstanding any other provision of law to the contrary, funds under this section may
34 be used for the purpose of funding the Claremont school district adequacy revolving loan fund
35 established in RSA 194:63.

36 5 Prospective Repeals. The following shall be repealed:

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1 I. RSA 6:12, I(b)(411), relative to moneys received by the Claremont school district adequacy
2 revolving loan fund.

3 II. RSA 194:62 through RSA 194:67, relative to the Claremont school district adequacy
4 revolving loan fund.

5 III. RSA 198:39, V, relative to the use of education trust funds for the Claremont school
6 district adequacy revolving loan fund.

7 6 Effective Dates.

8 I. Section 5 of this act shall take effect July 1, 2030.

9 II. The remainder of this act shall take effect upon its passage.

UNAPPROVED

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AMENDED ANALYSIS

This bill establishes a revolving loan fund for the Claremont school district.

UNAPPROVED