

HB 1831-FN - AS INTRODUCED

2026 SESSION

26-2399

07/05

HOUSE BILL ***1831-FN***

AN ACT repealing the education trust fund targeted aid cap.

SPONSORS: Rep. Chretien, Hills. 19; Rep. Cornell, Hills. 22; Rep. Damon, Sull. 8; Rep. Kerwin, Hills. 40; Sen. Long, Dist 20

COMMITTEE: Education Funding

ANALYSIS

This bill repeals the funding cap on targeted aid for purposes of determining education adequacy grants.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 repealing the education trust fund targeted aid cap.

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

1 1 Education; Adequate Education; Education Trust Fund. Amend RSA 198:41, I to read as
2 follows:

3 I. Except for municipalities where all school districts therein provide education to all of their
4 pupils by paying tuition to other institutions, the department of education shall determine the total
5 education grant for the municipality as follows:

6 (a) Add the per pupil cost of providing the opportunity for an adequate education for
7 which each pupil is eligible pursuant to RSA 198:40-a, I-III, and from such amount;

8 (b) Subtract the amount of the education tax warrant to be issued by the commissioner
9 of revenue administration for such municipality reported pursuant to RSA 76:8 for the next tax year;

10 (c) Add the municipality's extraordinary need grant pursuant to RSA 198:40-f; **and**

11 (d) Add the municipality's fiscal capacity disparity aid grant pursuant to RSA 198:40-g;
12 **and**

13 ~~(e) For municipalities with a total ADMR of 5,000 or more, subtract the amount~~
14 ~~necessary to limit the total additional targeted aid to \$3,750 per pupil in the municipality's ADMR.~~
15 ~~For the purpose of this paragraph, additional targeted aid shall be the sum of a municipality's~~
16 ~~extraordinary needs grant and fiscal capacity disparity aid grant].~~

17 2 Repeal. 2025, 142:3, relative to the determination of education grants effective July 2027, is
18 repealed.

19 3 Effective Date. This act shall take effect July 1, 2026, at 12:01 a.m.

HB 1831-FN- FISCAL NOTE
AS INTRODUCED

AN ACT repealing the education trust fund targeted aid cap.

FISCAL IMPACT:

Estimated State Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
Revenue	\$0	\$0	\$0	\$0
Revenue Fund(s)	None			
Expenditures*	\$0	\$0	Increase of Approximately \$9M Per Year	
Funding Source(s)	Education Trust Fund			
Appropriations*	\$0	\$0	Statutory Open Warrant Exists for Adequate Education Payments	
Funding Source(s)	Education Trust Fund			

***Expenditure = Cost of bill**

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

Estimated Political Subdivision Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
Local Revenue	\$0	\$0	City of Manchester Increase of Approximately \$9M Per Year	
Local Expenditures	\$0	\$0	\$0	\$0

METHODOLOGY:

This bill repeals RSA 198:41, I(e), which limits state adequacy targeted aid of a municipality of 5,000 ADMR (average daily membership in residence), or more, to \$3,750 per ADMR. It is estimated the targeted aid cap would only impact the City of Manchester. The Department of Education does not have an official estimate for FY 2028, however, the cost to remove the targeted aid cap would be approximately \$9 million in FY 2028 and have a similar cost each year after.

AGENCIES CONTACTED:

Department of Education