

HB 747-FN - AS INTRODUCED

2025 SESSION

25-0032

02/08

HOUSE BILL **747-FN**

AN ACT establishing a program for enrichment scholarships for gifted students and making an appropriation therefor.

SPONSORS: Rep. Cordelli, Carr. 7; Rep. Hill, Merr. 2; Rep. Mooney, Hills. 12; Rep. Noble, Hills. 2; Rep. Popovici-Muller, Rock. 17; Rep. Terry, Belk. 7; Sen. Ward, Dist 8

COMMITTEE: Education Funding

ANALYSIS

This bill creates an enrichment scholarship program for gifted students to pay for qualifying education expenses to enrich their education.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

In the Year of Our Lord Two Thousand Twenty Five

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

(e) Visual arts, performing arts, musical or psychomotor abilities.

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VIII. "Parent" means a biological or adoptive parent, legal guardian, custodian, or other person with legal authority to act on behalf of an eligible student.

IX. "Program" means the enrichment scholarship program established in this chapter which shall be available to local public school and chartered public school eligible students.

194-G:2 Program.

I. There is established in the department a program for enrichment scholarships to be awarded to gifted students pursuant to this chapter.

II. Scholarships of up to \$1,000 annually shall be awarded by the department to eligible students.

III. Parents of a program student shall use the funds deposited in their student's account only for the following qualifying expenses:

(a) Fees for transportation paid to a fee-for-service transportation provider for the student to travel to and from a scholarship service provider.

(b) Tuition and fees for online learning programs.

(c) Tutoring services provided by an individual or a tutoring facility.

(d) Tuition for individual classes and curricular activities and programs at a district public school, chartered public school, public academy, or independent school.

(e) Textbooks, curriculum, or other instructional materials, including, but not limited to, any supplemental materials or associated online instruction required by either a curriculum or a scholarship service provider.

(f) Computer hardware, Internet connectivity, or other technological services and devices, that are primarily used to help meet the student's educational needs.

(g) Educational software and applications.

(h) Tuition and fees for summer education programs and specialized education programs.

(i) Educational services and therapies, including, but not limited to, occupational, behavioral, physical, speech-language, and audiology therapies.

(j) Any other educational expense approved by the department.

IV. Scholarship funds shall not be refunded, rebated, or shared with a parent or student in any manner. Any refund or rebate for goods or services purchased with scholarship funds shall be refunded to the department.

V. Parents may make payments for the costs of educational goods and services not covered by the scholarship funds.

VI. Funds deposited in a scholarship account shall not constitute taxable income to the parent or student.

194-G:3 Application for an Enrichment Scholarship.

1 I. A parent may annually apply to the department to obtain an enrichment scholarship for
2 an eligible student.

3 II. The department shall develop a standard application form that parents can submit to
4 establish their student's eligibility for the program and shall make the application publicly available.
5 The form shall be made available on the department website and be provided to all school districts
6 and chartered public schools.

7 III. The department shall establish a review panel to review applications, determine
8 eligibility, and determine scholarship award amounts based upon the enrichment goods and services
9 requested.

10 IV. The review panel shall include at least one person trained in gifted identification and
11 programming.

12 V. Determination of eligibility will be based upon collection of data for a body of evidence
13 that includes, but is not limited to, assessment results from multiple sources and multiple types of
14 data including the statewide assessment administered pursuant to RSA 193-C:6 (i.e. qualitative and
15 quantitative data about achievement, cognitive ability, performance, parent and teacher input,
16 motivation and observations of gifted characteristics/behaviors). The body of evidence shall contain
17 data to identify the strength area defined in the definition of gifted children and determine
18 appropriate services.

19 VI. A determination letter or email will be sent to all applying parents and to the resident
20 school for the student file describing the decision of the review panel, and area(s) of giftedness if the
21 student is found to have exceptional abilities.

22 VII. Parents whose child is to be awarded an enrichment scholarship shall sign an
23 agreement with the department to:

24 (a) Maintain an annual record of educational enrichment as documented by a certified
25 teacher or a teacher currently teaching in a nonpublic school, who is selected by the parent, to
26 evaluate the student's educational progress.

27 (b) Use scholarship funds only for qualifying expenses pursuant to RSA 194-G:2.

28 (c) Comply with the rules and requirements of the program.

29 194-G:4 Authority and Responsibilities of the Department.

30 The department shall have the following additional duties, obligations, and authority:

31 I. The department shall maintain an updated list of scholarship service providers and shall
32 ensure that the list is publicly available through various sources, including the Internet.

33 II. The department shall provide parents with a written explanation of the allowable uses of
34 scholarship funds, the responsibilities of parents, the duties of the department, and the role of any
35 financial management firms that the department may contract with to administer any aspect of the
36 program.

1 III. The department may implement a commercially viable system for payment of services
2 from the program to scholarship service providers by electronic or online funds transfer.

3 (a) The department shall disburse funds through direct payments to scholarship service
4 providers. Notwithstanding the requirements under this paragraph, the department may, at the
5 commissioner's discretion, pre-approve requests for reimbursements to parents for qualifying
6 expenses.

7 (b) The department may contract with a private institution or organization to develop
8 the payment system.

9 IV. The department may conduct or contract for the auditing of individual accounts, and
10 shall at a minimum conduct random audits of student accounts on an annual basis.

11 V. The department shall make any parent and student ineligible for the program in the
12 event of intentional and substantial misuse of program funds.

13 (a) The department shall refer suspected cases of intentional and substantial misuse of
14 program funds to the attorney general for investigation if evidence of fraudulent use of program
15 funds is obtained.

16 (b) A parent of an eligible student may appeal the department's decision to deny
17 eligibility for the program to the state board of education pursuant to RSA 21-N:11, III.

18 VI. The department may bar a scholarship service provider from accepting payments from
19 the program if the department determines that the scholarship service provider has:

20 (a) Intentionally and substantially misrepresented information or failed to refund any
21 overpayments in a timely manner.

22 (b) Routinely failed to provide students with promised educational goods or services.

23 VII. If the department bars a scholarship service provider from receiving payments from the
24 program, it shall notify parents and students of its decision as quickly as possible.

25 VIII. The department may accept grants from any source to cover administrative costs, to
26 inform the public about the program or to fund additional scholarships.

27 IX. The department shall not exclude, discriminate against, or otherwise disadvantage any
28 scholarship service provider with respect to programs or services under this section based in whole
29 or in part on the provider's religious character or affiliation, including religiously based or mission-
30 based policies or practices.

31 194-G:5 Requirements for Scholarship Service Providers.

32 I. The department may approve scholarship service providers on its own initiative, at the
33 request of parents, or by notice to the department provided by prospective scholarship service
34 providers.

35 II. A prospective scholarship service provider that wishes to receive payments from the
36 program shall:

37 (a) Submit notice to the department that it wishes to receive program payments;

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1 (b) Agree not to refund, rebate, or share scholarship funds with parents or students in
2 any manner, except that funds may be remitted or refunded to a scholarship account in accordance
3 with procedures established by the department; and

4 (c) Comply with all state and federal anti-discrimination laws.

5 194-G:6 Independence of Scholarship Service Providers.

6 I. Nothing in this chapter shall be deemed to limit the independence or autonomy of a
7 scholarship service provider or to make the actions of a scholarship service provider the actions of
8 the state government.

9 II. The department shall grant scholarship service providers maximum discretion to provide
10 for the needs of students in compliance with this chapter.

11 III. Nothing in this chapter shall be construed to expand the regulatory authority of the
12 state, its officers, or any school district to impose any additional regulation of scholarship service
13 providers beyond those necessary to enforce the requirements of the program.

14 IV. Any scholarship service provider that accepts payment from the program under this
15 chapter is not an agent of the state or federal government.

16 V. A scholarship service provider shall not be required to alter its creed, practices,
17 admissions policy, or curriculum in order to accept payments from the program.

18 194-G:7 Legal Proceedings.

19 I. In any legal proceeding challenging the application of this chapter to a scholarship service
20 provider, the state bears the burden of establishing that the law is necessary and does not impose
21 any undue burden on the scholarship service provider.

22 II. No liability shall arise on the part of the department or the state or of any public school
23 or school district based on the award of or use of a scholarship pursuant to this chapter.

24 III. If any part of this chapter is challenged in a state court as violating either the state or
25 federal constitutions, parents of eligible students shall be permitted to intervene as of right in such
26 lawsuit for the purposes of defending the program's constitutionality. However, for the purposes of
27 judicial administration, a court may require that all parents file a joint brief, so long as they are not
28 required to join any brief filed on behalf of any named state defendant.

29 IV. If any provision of this chapter, or the application thereof to any person or
30 circumstances, is held invalid, such invalidity shall not affect other provisions or applications of this
31 chapter which can be given effect without the invalid provision or application, and to this end the
32 provisions of this chapter are declared to be severable.

33 194-G:8 Rules.

34 The department shall make rules under RSA 541-A relative to establishing procedures:

35 I. For approving applications under RSA 194-G:3.

36 II. To ensure that a fair process exists to determine whether an intentional and substantial
37 misuse of program funds has occurred pursuant to RSA 194-G:4, V.

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1 III. To ensure that a fair process exists to determine whether a scholarship service provider
2 may be barred from receiving payments from the program pursuant to RSA 194-G:4, VI.

3 2 New Section; Enrichment Scholarship Program; Administrator. Amend RSA 21-N by
4 inserting after section 7-a the following new section:

5 21-N:7-b Enrichment Scholarship Program; Administrator.

6 There is established a position within the division of education analytics and resources which
7 shall be a classified employee at no less than the level of administrator II. The enrichment
8 scholarship program position shall be qualified to hold such position by reason of education and
9 experience. The position shall be subject to any other employment requirements as determined by
10 the department. The position shall coordinate and provide technical assistance to guide students
11 and parents. The enrichment scholarship program position shall:

12 I. Coordinate and provide technical assistance to students, parents, and educators.

13 II. Serve as a lead participant in department review panel to award scholarships.

14 III. Implement policies and procedures at the department related to the enrichment
15 scholarship program.

16 IV. Serve as a resource for administrators, educators, families, and policymakers across the
17 state.

18 3 Department of Education; Enrichment Scholarship; New Position and Contracted Services;
19 Appropriation.

20 I. The sum of \$115,000 for the fiscal year ending June 30, 2026 is hereby appropriated to the
21 department of education, division of education analytics and resources, for the enrichment
22 scholarship program position established in RSA 21-N:7-b.

23 II. The sum of \$75,000 for the fiscal year ending June 30, 2026 is hereby appropriated for
24 contracted services to aid in the eligibility determination process and provision of scholarships. The
25 governor is authorized to draw a warrant for said sum out of any money in the treasury not
26 otherwise appropriated.

27 4 Department of Education; Enrichment Scholarship; Appropriation. There is appropriated the
28 sum of \$1,000,000 to the department of education for the enrichment scholarship program for the
29 fiscal year ending June 30, 2026 and the sum of \$1,000,000 to department of education for the
30 enrichment scholarship program for the fiscal year ending June 30, 2027 for the payments of
31 scholarships awarded by the department pursuant to RSA 194-G. The governor is authorized to
32 draw a warrant for said sum out of any money in the treasury not otherwise appropriated.

33 5 Effective Date. This act shall take effect July 1, 2025.

**HB 747-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT establishing a program for enrichment scholarships for gifted students and making an appropriation therefor.

FISCAL IMPACT:

Estimated State Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
Revenue	\$0	\$0	\$0	\$0
Revenue Fund(s)	None			
Expenditures*	\$0	Indeterminable Increase		
Funding Source(s)	General Fund			
Appropriations*	\$0	\$1,190,000	\$1,000,000	\$0
Funding Source(s)	General Fund			

***Expenditure = Cost of bill**

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

The Office of Legislative Budget Assistant is unable to provide a complete fiscal note for this bill, as introduced, as it is awaiting information from the Department of Education. The Department was originally contacted on 10/16/24 for a fiscal note worksheet. When completed, a revised fiscal note will be forwarded to the House Clerk's Office.

METHODOLOGY:

This bill creates an enrichment scholarship program for gifted students to pay for qualifying education expenses, establishes a position within the Department of Education, and provides general fund support as follows:

	FY 2026	FY 2027	FY 2028
New Position	\$115,000	\$0	\$0
Eligibility Determination Contractor	\$75,000	\$0	\$0
Scholarship Awards	\$1,000,000	\$1,000,000	\$0
Total	\$1,190,000	\$1,000,000	\$0

It is unknown whether the appropriations provided by this bill will be sufficient for the Department to administer this program, or how much in scholarships in each fiscal year may be awarded.

AGENCIES CONTACTED:

Department of Education