

HB 1679-FN - AS INTRODUCED

2022 SESSION

22-2840

10/04

HOUSE BILL ***1679-FN***

AN ACT relative to the dissolution and repeal of cooperative school districts.

SPONSORS: Rep. Cordelli, Carr. 4; Rep. Piemonte, Rock. 4; Rep. Torosian, Rock. 14; Rep. J. Smith, Carr. 5; Sen. Ward, Dist 8

COMMITTEE: Education

ANALYSIS

This bill requires cooperative school districts to review and adopt dissolution plans prior to January 1, 2024, and repeals authority for all cooperative school districts on June 30, 2025.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to the dissolution and repeal of cooperative school districts.

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

1 1 New Subdivision; Cooperative School Districts; Dissolution and Repeal. Amend RSA 195 by
2 inserting after section 32 the following new subdivision:

3 Dissolution and Repeal

4 195:33 Dissolution and Repeal.

5 I. No new cooperative school districts shall be formed after the effective date of this section.

6 II. No new bonds shall be issued by a cooperative school district after the effective date of
7 this section.

8 III. The school board of each cooperative school district shall initiate planning for the
9 dissolution of the cooperative school district by December 31, 2022.

10 IV. Pre-existing school districts within the dissolved cooperative school district for which
11 there is no public school for the child's grade, shall tuition the children to another public school in
12 another school district or to any private school that has been approved as a school tuition program
13 by the school board in the pre-existing school district pursuant to RSA 193:3, VI and VII.

14 195:34 Dissolution Plans.

15 I. Cooperative school districts shall review dissolution plans made during their formation
16 pursuant to RSA 195:18, III(k).

17 II. Dissolution planning shall include a minimum of one public hearing in each pre-existing
18 school district within the cooperative district with unlimited time for public input and comment both
19 during plan formulation and on any proposed plan prior to a vote by the cooperative school district
20 board. Each cooperative school board shall give at least 20 days' notice of its intent to hold a public
21 hearing and shall also give notice of the cutoff date for comment and a postal address and an email
22 address for the submission of written testimony. The notice shall be provided in a manner that
23 would reach the vast majority of the eligible voters of the cooperative district. Each public hearing
24 shall afford all interested persons reasonable opportunity to testify with hearings recessed to a date
25 and time certain to allow all persons to testify.

26 III. The dissolution plan set forth by the cooperative school district board shall include the
27 following:

28 (a) The dissolution timing and schedule for dissolution, by June 30, 2025.

29 (b) The division of school buildings, facilities, land, any other assets, and unexpended
30 fund balances of the cooperative school district among the pre-existing districts, according to fair
31 market value and proportional to each pre-existing district's contribution.

1 (c) The net liability or equity of each pre-existing district for their share of any
2 outstanding indebtedness of the cooperative school district, offset by each pre-existing district's
3 equity in the assets related to the indebtedness, based on fair market value and proportional to each
4 pre-existing district's contribution.

5 (d) The cooperative school district shall transfer and convey title to any school building,
6 facility, and land located in the pre-existing district to the pre-existing district upon payment to the
7 cooperative school district the fair market value of said school building, facility, and land, less the
8 fair market equity of the pre-existing district. The amount of said fair market equity and the timing
9 of transfer of title shall be determined in the dissolution agreement.

10 (e) Plans for formation of school districts and school administrative units.

11 IV. Any other matters compatible with existing statutes may be considered appropriate to
12 include in the dissolution plan.

13 V. Dissolution plans, including division of assets, liabilities, and properties pursuant to RSA
14 194:34, III, shall be voted on and approved by the cooperative school district by January 1, 2024 and
15 submitted to the state board of education for review.

16 VI. A pre-existing school district shall have the right to appeal such vote of the cooperative
17 school board to the state board of education. The state board shall upon receipt of such appeal
18 investigate and report back to the district on its findings and recommendations. This report may
19 require that there will be a special meeting for a vote of reconsideration.

20 195:35 Formation of School Districts and School Administrative Units. Each town from the
21 dissolved cooperative school district shall form a school district and/or school administrative unit
22 pursuant to RSA 194 and RSA 194-C, or join an existing school administrative unit.

23 195:36 State Board of Education Plan Review.

24 I. The state board of education shall review each dissolution plan within 60 days of receipt to
25 determine whether the plan complies with the requirements of this subdivision. If, in the opinion of
26 the state board, all requirements have been met, it shall forward the plan to the cooperative school
27 district clerk for a vote at a regular or special district meeting pursuant to RSA 195:13.

28 II. If the state board of education determines that all requirements of this subdivision have
29 not been properly addressed, the plan shall be rejected, the deficiencies shall be noted and the plan
30 shall be promptly returned for revision. The cooperative school district shall revise the plan
31 addressing the noted deficiencies and shall forward the plan to the cooperative school district clerk
32 for a vote at a regular or special district meeting pursuant to RSA 195:13.

33 III. Copies of the final plan of each cooperative school district shall be submitted to the
34 department of education and the state board of education.

35 2 Repeals; 2025. The following are repealed:

36 I. RSA 195, relative to cooperative school districts.

37 II. RSA 195-A:15, relative to conversion of area school plan to a cooperative school district.

1 III. RSA 671:7-12 and RSA 671:14-17, relative to cooperative school district elections.

2 IV. RSA 32:14, I(b), relative to adoption of a cooperative school budget committee.

3 3 Reference Removed; Municipal Debt Limits. Amend RSA 33:4-b to read as follows:

4 33:4-b Debt Limit; Computation. The debt limitations hereinbefore prescribed, except for
5 counties, shall be based upon the applicable last locally assessed valuation of the municipality as
6 last equalized by the commissioner of revenue administration under RSA 21-J:3, XIII and shall
7 include the equalized value of property formerly taxed pursuant to the provisions of RSA 72:7; 72:15,
8 I, V, VII, VIII, IX, X and XI; 72:16; 72:17; 73:26; 73:27 and 73:11 through 16 inclusive, all as
9 amended, which was relieved from taxation by 1970, 5:3, 5:8 and 57:12, as determined under the
10 provisions of RSA 71:11 as amended. Whenever several municipalities possessing the power to incur
11 indebtedness cover or extend over identical territory, each such municipality shall so exercise the
12 power to incur indebtedness under the foregoing limitations so that the aggregate net indebtedness
13 of such municipalities shall not exceed 9.75 percent of the valuation of the taxable property as
14 hereinbefore determined, ~~[except as provided for cooperative school districts under RSA 195:6]~~. A
15 written certificate signed by the commissioner of the department of revenue administration shall be
16 conclusive evidence of the base valuation of municipalities for computing debt limits hereunder.

17 4 Reference Removed; Town Meetings; Reconsideration. Amend RSA 40:10, V to read as follows:

18 V. This section shall apply to town meetings, village district meetings under RSA 52,
19 ~~[cooperative school district meetings under RSA 195,]~~ and school district meetings under RSA 197.

20 5 Reference Removed; Official Ballots. Amend RSA 40:13, II-a - II-c to read as follows:

21 II-a. Notwithstanding any other provision of law, all local political subdivisions which adopt
22 this subdivision, who have not adopted an April or May election date under RSA 40:14, X, shall
23 comply with the following schedule pertaining to notice, petitioned articles, hearings, and warrants
24 for the annual meeting:

25 (a) The final date for posting notice of budget hearings under RSA 32:5 ~~[and RSA 195:12]~~
26 and hearings under RSA 33:8-a shall be the second Tuesday in January.

27 (b) The "budget submission date" as defined in RSA 273-A:1, III and the final date for
28 submission of petitioned articles under RSA 39:3 ~~[and RSA 197:6]~~ shall be the second Tuesday in
29 January, provided however, that if a petitioned article proposes a bond governed by RSA 33:8-a, the
30 deadline shall be the preceding Friday.

31 (c) Budget hearings under RSA 32:5 ~~[and RSA 195:12]~~ and hearings under RSA 33:8-a
32 shall be held on or before the third Tuesday in January. One or more supplemental budget hearings
33 may be held at any time before the first session of the annual meeting, subject to the 7-day notice
34 requirement in RSA 32:5. If the first hearing or any supplemental hearing is recessed to a later date
35 or time, additional notice shall not be required for a supplemental session if the date, time, and place
36 of the supplemental session are made known at the original hearing. In a political subdivision that
37 has adopted a municipal budget committee pursuant to RSA 32:14, the last day for the budget

HB 1679-FN - AS INTRODUCED
- Page 4 -

1 committee to deliver copies of the final budget and recommendations to the governing body pursuant
2 to RSA 32:16, IV shall be the Thursday before the last Monday in January.

3 (d) Warrants under RSA 39:5 [~~and RSA 197:7~~] and budgets shall be posted and copies
4 available to the general public on or before the last Monday in January.

5 II-b. Notwithstanding any other provision of law, all political subdivisions which hold their
6 annual meetings in April shall comply with the following schedule pertaining to notice, petitioned
7 articles, hearings, and warrants for the annual meeting.

8 (a) The final date for posting notice of budget hearings under RSA 32:5 [~~and RSA 195:12~~]
9 and hearings under RSA 33:8-a shall be the second Tuesday in February.

10 (b) The "budget submission date" as defined in RSA 273-A:1, III and the final date for
11 submission of petitioned articles under RSA 39:3 [~~and RSA 197:6~~] shall be the second Tuesday in
12 February, provided however, that if a petitioned article proposes a bond governed by RSA 33:8-a, the
13 deadline shall be the preceding Friday.

14 (c) Budget hearings under RSA 32:5 [~~and RSA 195:12~~] and hearings under RSA 33:8-a
15 shall be held on or before the third Tuesday in February. One or more supplemental budget
16 hearings may be held at any time before the first session of the annual meeting, subject to the 7-day
17 notice requirement in RSA 32:5. If the first hearing or any supplemental hearing is recessed to a
18 later date or time, additional notice shall not be required for a supplemental session if the date,
19 time, and place of the supplemental session are made known at the original hearing. In a political
20 subdivision that has adopted a municipal budget committee pursuant to RSA 32:14, the last day for
21 the budget committee to deliver copies of the final budget and recommendations to the governing
22 body pursuant to RSA 32:16, IV shall be the Thursday before the last Monday in February.

23 (d) Warrants under RSA 39:5 [~~and RSA 197:7~~] and budgets shall be posted and copies
24 available to the general public on or before the last Monday in February.

25 II-c. Notwithstanding any other provision of law, all political subdivisions which hold their
26 annual meetings in May shall comply with the following schedule pertaining to notice, petitioned
27 articles, hearings, and warrants for the annual meeting:

28 (a) The final date for posting notice of budget hearings under RSA 32:5 [~~and RSA 195:12~~]
29 and hearings under RSA 33:8-a shall be the second Tuesday in March.

30 (b) The "budget submission date" as defined in RSA 273-A:1, III and the final date for
31 submission of petitioned articles under RSA 39:3 [~~and RSA 197:6~~] shall be the second Tuesday in
32 March, provided however, that if a petitioned article proposes a bond governed by RSA 33:8-a, the
33 deadline shall be the preceding Friday.

34 (c) Budget hearings under RSA 32:5 [~~and RSA 195:12~~] and hearings under RSA 33:8-a
35 shall be held on or before the third Tuesday in March. One or more supplemental budget hearings
36 may be held at any time before the first session of the annual meeting, subject to the 7-day notice
37 requirement in RSA 32:5. If the first hearing or any supplemental hearing is recessed to a later date

1 or time, additional notice shall not be required for a supplemental session if the date, time, and place
2 of the supplemental session are made known at the original hearing. In a political subdivision that
3 has adopted a municipal budget committee pursuant to RSA 32:14, the last day for the budget
4 committee to deliver copies of the final budget and recommendations to the governing body pursuant
5 to RSA 32:16, IV shall be the Thursday before the last Monday in March.

6 (d) Warrants under RSA 39:5 ~~and RSA 197:7~~ and budgets shall be posted and copies
7 available to the general public on or before the last Monday in March

8 6 Reference Removed; School Money; Annual Grants. Amend the introductory paragraph of
9 RSA 198:15-hh, I to read as follows:

10 I. The amount of the annual grant for a lease to any school district duly organized, any city
11 maintaining a school department within its corporate organization, ~~[any cooperative school district~~
12 ~~as defined in RSA 195:1,]~~ or any receiving district operating an area school as defined in RSA 195-
13 A:1, shall be a sum equal to 30 percent of the amount of the annual payment of the lease incurred,
14 for the cost of leasing permanent space in a building or buildings not owned by the school district or
15 school administrative unit which is used for the operation of a high school vocational technical
16 education program, to the extent approved by the state board of education. ~~[For the purposes of this~~
17 ~~section, the amount of the annual grant for a lease to a vocational technical education center shall be~~
18 ~~calculated in the same manner as a cooperative school district.]~~ The amount of the annual grant for
19 a chartered public school authorized under RSA 194-B:3-a shall be a sum equal to 30 percent of the
20 annual lease payment incurred for the cost of leasing space; provided that no annual grant for leased
21 space provided to a chartered public school in accordance with this section shall exceed \$50,000 in
22 any fiscal year. The total amount of grants to schools pursuant to this section shall not exceed the
23 state appropriation for leased space. If the amount appropriated is insufficient therefor, the
24 appropriation shall be prorated proportionally among the schools eligible for a grant. Such lease
25 agreements shall be eligible for grants under this section, provided all of the following conditions
26 apply:

27 7 Reference Removed; School Building Aid. Amend RSA 198:15-b, I to read as follows:

28 I.(a)(1) For construction authorized by a school district on or before July 1, 2013, the amount
29 of the annual grant to any school district duly organized, any city maintaining a school department
30 within its corporate organization, ~~[any cooperative school district as defined in RSA 195:1,]~~ any
31 receiving district operating an area school as defined in RSA 195-A:1, or any receiving district
32 providing an education to pupils from one or more sending districts under a contract entered into
33 pursuant to RSA 194:21-a or RSA 194:22, shall be a sum equal to 30 percent of the amount of the
34 annual payment of principal on all outstanding borrowings of the school district, city, ~~[cooperative~~
35 ~~school district,]~~ joint maintenance agreement, or receiving district, heretofore or hereafter incurred,
36 for the cost of construction or purchase of school buildings and school administrative unit facilities,
37 or for the cost of acquiring, developing, or renovating any municipally-owned land, buildings, or

1 facilities to be used for school district purposes, to the extent approved by the department of
2 education, provided that any school district may receive an annual grant in the amount of 40 percent
3 for the construction of an educational administration building for a school administrative unit, and
4 provided that the amount of the annual grant in the case of a [~~cooperative school district,~~] a joint
5 maintenance agreement, a receiving district operating an area school, or any receiving district
6 providing an education to pupils from one or more sending districts under a contract entered into
7 pursuant to RSA 194:21-a or RSA 194:22, shall be 40 percent plus 5 percent for each pre-existing
8 district in excess of 2 and each sending district in excess of one, and provided further that no
9 [~~cooperative school district,~~] joint maintenance agreement, or receiving district operating an area
10 school, shall receive an annual grant in excess of 55 percent.

11 (2)(A) For construction authorized by a school district after July 1, 2013, school
12 building aid grants for new construction shall not exceed the state appropriation for school building
13 aid for the fiscal year, less any debt service payments due and owing in the fiscal year for
14 construction or renovation projects approved in a prior fiscal year, less the amount owed for
15 construction or renovation projects approved prior to July 1, 2013 in accordance with subparagraph
16 (a)(1), unless otherwise provided by an act of the general court. School building aid grants approved
17 pursuant to RSA 198:15-u through RSA 198:15-w, shall be disbursed to school districts pursuant to
18 this subparagraph and no state bonds shall be authorized or issued for the purpose of funding school
19 building aid grants. The amount of the grant to any school district duly organized, any city
20 maintaining a school department within its corporate organization, [~~any cooperative school district~~
21 ~~as defined in RSA 195:1,~~] any receiving district operating an area school as defined in RSA 195-A:1,
22 or any receiving district providing an education to pupils from one or more sending districts under a
23 contract entered into pursuant to RSA 194:21-a or RSA 194:22, shall be calculated based on the
24 criteria set forth in RSA 198:15-v.

25 (B) The state board of education shall approve the disbursement of 80 percent of
26 the eligible grant amount upon approval of the application for school building aid grants by the state
27 board of education, and shall disburse the balance of the grant amount upon completion of the
28 construction and verification of the final cost of construction by the department of education.

29 (C) The amount of the grant to any chartered public school established in
30 accordance with RSA 194-B:3-a shall be 30 percent of the eligible cost of construction.

31 (D) Any state aid for leased space pursuant to RSA 198:15-hh shall require a
32 separate appropriation, and shall not be included in the state appropriation for school building aid.

33 (E) Funds received from charitable trusts, bequests, gifts, insurance policies,
34 federal grants, or grants from other state programs shall be subtracted from total project costs when
35 computing grants under this paragraph.

36 (b) For any municipally-owned land, buildings, or facilities for which a school building
37 aid grant is granted under this subdivision, the following shall apply:

1 (1) A school district, a city maintaining a school department within its corporate
2 organization, [~~a cooperative school district as defined in RSA 195:1,~~] a receiving district operating an
3 area school as defined in RSA 195-A:1, or a receiving district providing an education to pupils from
4 one or more sending districts under a contract entered into pursuant to RSA 194:21-a or RSA 194:22,
5 shall have first priority in the use of such land, buildings, or facilities for 10 years or the life of any
6 bond or note issued to provide funds for such land, buildings, or facilities, whichever is greater.

7 (2) A school district, a city maintaining a school department within its corporate
8 organization, [~~a cooperative school district as defined in RSA 195:1,~~] a receiving district operating an
9 area school as defined in RSA 195-A:1, or a receiving district providing an education to pupils from
10 one or more sending districts under a contract entered into pursuant to RSA 194:21-a or RSA 194:22,
11 shall submit, when applying for aid under this chapter, the least costly building plan based on a 20-
12 year life cycle cost analysis that meets minimum state building standards in this chapter along with
13 any alternative plans that may be proposed.

14 (3) In the absence of a bond or note or upon the expiration of any bond or note issued
15 to provide funds for land, buildings, or facilities, the principal parties shall enter into an agreement
16 on how such land, buildings, or facilities are to be used.

17 8 Reference Removed; Approval of Plans. Amend RSA 198:15-c, II(c) to read as follows:

18 (c) A school district, a city maintaining a school department within its corporate
19 organization, [~~a cooperative school district as defined in RSA 195:1,~~] a receiving district operating an
20 area school as defined in RSA 195-A:1, or a receiving district providing an education to pupils from
21 one or more sending districts under a contract entered into pursuant to RSA 194:21-a or RSA 194:22,
22 with projects for which there is insufficient state grant funding may resubmit those projects to the
23 department pursuant to the provisions of this section.

24 9 Reference Removed; Alternative Building Aid. Amend the introductory paragraph of RSA
25 198:15-v, I to read as follows:

26 I. The amount of the annual grant to any school district duly organized, any city
27 maintaining a school department within its corporate organization, [~~any cooperative school district~~
28 ~~as defined in RSA 195:1,~~] or any receiving district operating an area school as defined in RSA 195-
29 A:1, shall be determined as follows:

30 10 Reference Removed; Alternative Building Aid. Amend RSA 198:15-v, III to read as follows:

31 III. A [~~cooperative school district,~~] receiving district operating an area school[~~]~~] or joint
32 maintenance agreement grant amount shall be determined by calculating the percentage of the
33 average daily membership in residence represented by each municipality which has entered into the
34 agreement and multiplying this percentage by each municipality's percentage of annual building aid
35 eligibility under paragraph II of this section. This product shall be multiplied by the projected cost
36 of the building project. The sum of the resulting products shall be the annual building aid grant for
37 the [~~cooperative school district,~~] area school[~~]~~] or joint maintenance agreement.

HB 1679-FN - AS INTRODUCED

- Page 8 -

1 11 Reference Removed; Education Trust Fund. Amend RSA 198:38, VIII to read as follows:

2 VIII. "School district" means school district as defined in RSA 194:1 ~~[and shall include~~
3 ~~cooperative school districts as defined in RSA 195:1, I].~~

4 12 Reference Removed; School District Elections. Amend RSA 671:4-671:6 to read as follows:

5 671:4 Board. A school district ~~[which is not a cooperative school district as defined in RSA~~
6 ~~195:1]~~ may have a school board of 3, 5, 7, or 9 members, as it shall determine by vote at any annual
7 meeting. They shall serve for a term of 3 years. Insofar as possible, an equal number of the
8 members shall be elected at each school district election. Whenever such a district determines to
9 change the number of board members, it shall also determine the number of members to be elected
10 each year. Such change shall not take effect until the school district election in the year next
11 following the one in which the change is voted. The board will increase or decrease in membership
12 so that there will always be an uneven number of members until the desired number is reached. The
13 school board of a district which does not otherwise vote shall have 3 members.

14 671:5 Auditors. At each district election, each district ~~[which is not a cooperative school district~~
15 ~~as defined in RSA 195:1]~~ shall elect one or more auditors. In a district voting to elect 2 or more
16 auditors, their terms shall be staggered so that one auditor shall be elected each year for a term of
17 office of the same number of years as there are auditors; provided, however, that, in the first year,
18 the auditors shall be chosen for varying terms so that the term of one auditor shall expire in the next
19 succeeding year, the term of the second auditor, the next year, and so on for the number of years as
20 there are number of auditors. When voters of the district direct the school board to request an audit
21 by independent public accountants from outside the district, they shall not be required to choose
22 auditors for the year covered by said audit.

23 671:6 Other Officers. Except as provided under RSA 671:6-a, at each school district election,
24 each school district ~~[which is not a cooperative school district as defined in RSA 195:1]~~ shall elect a
25 school district clerk, moderator, treasurer, and such optional officers as the voters of the district
26 shall have voted to elect to manage the affairs of the district. The moderator shall take office upon
27 the adjournment of the regular school district meeting held in the year of the moderator's election
28 and upon the moderator's qualification for office, whichever is later. The treasurer shall take office
29 upon the close of the fiscal year for the district and upon the treasurer's qualification for office,
30 whichever is later. An optional officer may not be elected by official ballot until the annual district
31 election first following the establishment of the office. The school district may, by vote, determine to
32 elect a temporary officer or authorize the school board to appoint a temporary officer to serve until
33 the next annual district election.

34 13 Effective Date.

35 I. Sections 2-12 of this act shall take effect on June 30, 2025.

36 II. The remainder of this act shall take effect 30 days after passage.

**HB 1679-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to the dissolution and repeal of cooperative school districts.

FISCAL IMPACT: State County Local None

STATE:	Estimated Increase / (Decrease)			
	FY 2022	FY 2023	FY 2024	FY 2025
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	Indeterminable	Indeterminable	Indeterminable
Funding Source:	<input checked="" type="checkbox"/> General	<input type="checkbox"/> Education	<input type="checkbox"/> Highway	<input type="checkbox"/> Other

LOCAL:

Revenue	\$0	Indeterminable	Indeterminable	Indeterminable
Expenditures	\$0	Indeterminable	Indeterminable	Indeterminable

METHODOLOGY:

This bill requires cooperative (and presumably regional) school districts to review and adopt dissolution plans prior to January 1, 2024, and repeals authority for all cooperative school districts on June 30, 2025. This bill also requires school boards of each cooperative (and regional) school districts shall initiate planning for the dissolution of the cooperative school district by December 31, 2022, and provides steps for the distribution/division of assets to all towns as well as providing steps for sharing the outstanding debt. The Department of Education is unable to determine this bill's potential impact on local school district revenue or expenditures, but does state there are 30 regional/cooperative school districts covering 117 towns. The Department assumes that 27 of these towns, that are part of a 2 school district, would be absorbed by their pre-existing elementary district. This would result in the net gain of 90 new school districts throughout the state. Cost for establishing new districts cannot be determined. In addition to startup cost, school districts would need to budget on an annual basis for administrative cost and district offices. The Department adds that with the addition of these new districts, programs within the Department may need to budget for new staff to provide technical support.

AGENCIES CONTACTED:

Department of Education