

HB 440-FN - AS INTRODUCED

2023 SESSION

23-0726

10/04

HOUSE BILL ***440-FN***

AN ACT relative to the uses of education trust fund.

SPONSORS: Rep. Cordelli, Carr. 7

COMMITTEE: Education

ANALYSIS

This bill revises the list of uses for funds deposited in the education trust fund.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to the uses of education trust fund.

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

1 1 Education Trust Fund. The introductory paragraph of RSA 198:39, I is repealed and
2 reenacted to read as follows:

3 I. The state treasurer shall establish an education trust fund in the treasury. Moneys in
4 such fund shall not be used for any purpose other than to distribute adequate education grants to
5 municipalities' school districts pursuant to RSA 198:42; to distribute grants to municipalities' school
6 districts and to approved chartered public schools pursuant to RSA 194-B:11; to distribute public
7 school infrastructure grants to municipalities, school districts, and to approved chartered public
8 schools pursuant to RSA 198:15-y; to distribute kindergarten grants to municipalities and school
9 districts pursuant to RSA 198:48-C; to provide low and moderate income homeowners property tax
10 relief under RSA 198:56-198:61; to distribute school building aid to school districts pursuant to RSA
11 198:15-b; to distribute tuition and transportation funds to school districts for students attending
12 career and technical education programs pursuant to RSA 188-E:9; to distribute funds to scholarship
13 organizations approved under RSA 77:G that administers and implements the education freedom
14 accounts program pursuant to RSA 194-F; to distribute phase out grants to municipalities' school
15 districts pursuant to RSA 194-F; to distribute grants for leased space to approved charter schools
16 pursuant to RSA 198:15-hh; to distribute special education aid to school districts pursuant to RSA
17 186-C:18; and to fund department of education operating costs for a state student data collection and
18 reporting system. The department of education may retain up to one percent of the total annual
19 appropriation of the education trust fund to be used to administer the programs funded in the
20 education trust fund. The state treasurer shall deposit into this fund immediately upon receipt:

21 2 Effective Date. This act shall take effect upon its passage.

**HB 440-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to the uses of education trust fund.

FISCAL IMPACT: State County Local None

STATE:	Estimated Increase / (Decrease)			
	FY 2023	FY 2024	FY 2025	FY 2026
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	\$0	\$0	\$0
Expenditures	\$10,638,016	\$11,061,675	\$11,027,577	Indeterminable
Funding Source:	<input checked="" type="checkbox"/> General	<input checked="" type="checkbox"/> Education	<input type="checkbox"/> Highway	<input type="checkbox"/> Other

The Legislative Budget Assistant Office is still awaiting information from the Department of Education in response to this bill. The Department of Education was contacted on 12/28/22 for a fiscal note worksheet.

METHODOLOGY:

This bill, which is effective upon passage and therefore expected to impact FY 2023, revises the list of uses for funds deposited in the Education Trust Fund (ETF) to include allowing the Department of Education to retain up to 1% of total fund appropriation to administer the programs funded by the ETF. The Department of Administrative Services states this bill will increase expenditures to the ETF in the amounts shown in the table below (this bill does not amend the source of funds deposited into the ETF):

	FY 2023 Adjusted Authorized	FY 2024 Efficiency Budget	FY 2025 Efficiency Budget
Education Trust Fund Appropriations	\$1,063,801,620	\$1,106,167,523	\$1,102,757,675
1% to Department of Education	\$10,638,016	\$11,061,675	\$11,027,577

It should be noted that pursuant to RSA 198:42, if the balance of the ETF after the payment of adequate education grants, is negative, a transfer from the state general fund is required to bring the balance to zero. Therefore, should this bill result in an increase in expenditures beyond available ETF sources, there may be a required transfer from the general fund.

The Treasury Department indicates this bill is not anticipated to have a fiscal impact on the revenues and expenditures of the State Treasury, and at the local and county level.

AGENCIES CONTACTED:

Department of Education, Department of Administrative Services, and Treasury Department