

HB 621-FN - AS INTRODUCED

2023 SESSION

23-0758

09/10

HOUSE BILL

***621-FN***

AN ACT                   relative to funds of the education freedom accounts program after termination of a student's participation and responsibilities of the scholarship organization.

SPONSORS:           Rep. Luneau, Merr. 9; Rep. Myler, Merr. 9; Rep. Wolf, Merr. 7; Rep. Veilleux, Hills. 34

COMMITTEE:       Education

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ANALYSIS

This bill requires that upon enrolling in a public school an education freedom account program student's participation and funding are terminated. The bill also requires audits by the scholarship organization and investigation of misuses of funds.

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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                          Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 funds of the education freedom accounts program after termination of a student's participation and responsibilities of the scholarship organization.

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

1            1 Education Freedom Accounts Program; Enrolling in Public School. Amend RSA 194-F:3, VI to  
2 read as follows:

3            VI. Upon notice to the scholarship organization, an EFA student may choose to stop  
4 receiving EFA funding and enroll full-time in a public school.

5            (a) Enrolling as a full-time student in the resident district public school shall result in:

6            (1) The immediate suspension of payment of additional funds into the student's  
7 EFA. ~~[However, an EFA that has been open for at least one full school year shall remain open and~~  
8 ~~active for the parent to make qualifying expenditures to educate the student from funds remaining~~  
9 ~~in the EFA. When no funds remain in the student's EFA, the scholarship organization may close the~~  
10 ~~EFA.]~~

11            (2) *Termination of the EFA; and*

12            (3) *Any remaining funds being be transferred back to the education trust*  
13 *fund.*

14            (b) If an eligible student decides to return to the EFA program, ~~[payments into the~~  
15 ~~student's existing EFA may resume if the EFA is still open and active.]~~ a new EFA may be  
16 established ~~[if the student's EFA was closed].~~

17            2 Responsibilities of the Scholarship Organization; Audits; Misues of Funds. Amend RSA 194-  
18 F:4, X through 194-F:4, XIII to read as follows: to read as follows:

19            X. The scholarship organization ~~[may]~~ **shall** conduct or contract for the auditing of  
20 individual EFAs, and shall at a minimum conduct random audits of EFAs on an annual basis.

21            XI. The scholarship organization ~~[may]~~ **shall** make any parent or EFA student ineligible for  
22 the EFA program in the event of ~~[intentional and]~~ substantial misuse of EFA funds.

23            (a) The scholarship organization shall create procedures to ensure that a fair process  
24 exists to determine whether ~~[an intentional and]~~ substantial misuse of EFA funds has occurred.

25            (b) If an EFA student is free from personal misconduct, that student shall be eligible for  
26 an EFA in the future if placed with a new guardian or other person with the legal authority to act on  
27 behalf of the student.

28            (c) The scholarship organization ~~[may]~~ **shall** refer suspected cases of ~~[intentional and]~~  
29 substantial misuse of EFA funds to the attorney general for investigation~~[if evidence of fraudulent~~  
30 ~~use of EFA funds is obtained].~~

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(d) A parent or EFA student may appeal the scholarship organization's decision to deny eligibility for the EFA program to the department.

XII. The scholarship organization may bar an education service provider from accepting payments from EFAs if the scholarship organization determines that the education service provider has:

(a) ~~[Intentionally and]~~ Substantially misrepresented information or failed to refund any overpayments in a timely manner.

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

XIII. The scholarship organization shall create procedures to ensure that a fair process exists to determine whether an education service provider may be barred from receiving payments from EFAs.

(a) If the scholarship organization bars an education service provider from receiving payments from EFAs, it shall notify parents and EFA students of its decision ~~[as quickly as possible]~~ ***within 5 business days.***

(b) Education service providers may appeal the scholarship organization's decision to bar them from receiving payments from the EFA to the department.

3 Effective Date. This act shall take effect 60 days after its passage.

LBA  
23-0758  
1/10/23

**HB 621-FN- FISCAL NOTE  
AS INTRODUCED**

AN ACT                    relative to funds of the education freedom accounts program after termination of a student's participation and responsibilities of the scholarship organization.

**FISCAL IMPACT:**

The Office of Legislative Budget Assistant is unable to complete a fiscal note for this bill, **as introduced**, as it is awaiting information from the Department of Education. The Department was contacted on 12/14/22 for a fiscal note worksheet. When completed, the fiscal note will be forwarded to the House Clerk's Office.

**AGENCIES CONTACTED:**

Department of Education