

CONSENT CALENDAR

March 7, 2022

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

**The Committee on Education to which was referred HB
1402-LOCAL,**

**AN ACT relative to inclusion of chartered public
schools in school district bond issuance votes. Having
considered the same, report the same with the following
resolution: RESOLVED, that it is INEXPEDIENT TO
LEGISLATE.**

Rep. David Luneau

FOR THE COMMITTEE

COMMITTEE REPORT

Committee:	Education
Bill Number:	HB 1402-LOCAL
Title:	relative to inclusion of chartered public schools in school district bond issuance votes.
Date:	March 7, 2022
Consent Calendar:	CONSENT
Recommendation:	INEXPEDIENT TO LEGISLATE

STATEMENT OF INTENT

This bill establishes a procedure for a chartered public school to elect to include its planned land, construction, or renovation costs in the local school district's vote to authorize bonded indebtedness. The committee found the bill left too many unanswered questions with respect to financial risk, disparate credit ratings, and contingent balance sheet obligations and leaves local taxpayers on the hook.

Vote 18-0.

Rep. David Luneau
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

CONSENT CALENDAR

Education

HB 1402-LOCAL, relative to inclusion of chartered public schools in school district bond issuance votes. **INEXPEDIENT TO LEGISLATE.**

Rep. David Luneau for Education. This bill establishes a procedure for a chartered public school to elect to include its planned land, construction, or renovation costs in the local school district's vote to authorize bonded indebtedness. The committee found the bill left too many unanswered questions with respect to financial risk, disparate credit ratings, and contingent balance sheet obligations and leaves local taxpayers on the hook. **Vote 18-0.**

Original: House Clerk

Cc: Committee Bill File

HOUSE COMMITTEE ON EDUCATION
EXECUTIVE SESSION on HB 1402-LOCAL

BILL TITLE: relative to inclusion of chartered public schools in school district bond issuance votes.

DATE: March 7, 2022

LOB ROOM: 207

MOTIONS: **INEXPEDIENT TO LEGISLATE**

Moved by Rep. Luneau

Seconded by Rep. Cordelli

Vote: 18-0

CONSENT CALENDAR: YES

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep Melissa Litchfield, Clerk

HOUSE COMMITTEE ON EDUCATION
EXECUTIVE SESSION on Bill # 1402

BILL TITLE: ...
DATE: 3/7/22
LOB ROOM:

MOTION: (Please check one box)

- OTP ITL Retain (1st year) Adoption of Amendment # _____
 Interim Study (2nd year) (if offered)

Moved by Rep. Luncheon Seconded by Rep. Cordelli Vote: 18-0

MOTION: (Please check one box)

- OTP OTP/A ITL Retain (1st year) Adoption of Amendment # _____
 Interim Study (2nd year) (if offered)

Moved by Rep. _____ Seconded by Rep. _____ Vote: _____

MOTION: (Please check one box)

- OTP OTP/A ITL Retain (1st year) Adoption of Amendment # _____
 Interim Study (2nd year) (if offered)

Moved by Rep. _____ Seconded by Rep. _____ Vote: _____

MOTION: (Please check one box)

- OTP OTP/A ITL Retain (1st year) Adoption of Amendment # _____
 Interim Study (2nd year) (if offered)

Moved by Rep. _____ Seconded by Rep. _____ Vote: _____

CONSENT CALENDAR: YES NO

Minority Report? Yes No If yes, author, Rep: _____ Motion _____

Respectfully submitted: Bill Nelson
Rep. Melissa Litchfield, Clerk



2022 SESSION

Education

Bill #: 1402 Motion: ITL AM #: _____ Exec Session Date: _____

<u>Members</u>	<u>YEAS</u>	<u>Nays</u>	<u>NV</u>
Ladd, Rick M. Chairman	18		
Cordelli, Glenn Vice Chairman	1		
Litchfield, Melissa A. Clerk <i>hang, Tim</i>	2		
Boehm, Ralph G.	3		
Lekas, Alicia D.	4		
Moffett, Michael <i>hascelles, Rick</i>	5		
Hobson, Deborah L.	6		
Ford, Oliver J.	7		
Soti, Julius F.	8		
Nelson, Bill G.	9		
Myler, Mel-Walz, Mary Beth <i>Wallner, Mary Jane</i>	10		
Luneau, David J.	11		
Cornell, Patricia	12		
Tanner, Linda L.	13		
Ellison, Arthur S.	14		
Mullen, Sue M.	14		
Woodcock, Stephen L. <i>Murray, Megan</i>	15		
Porter, Marjorie	16		
A. Hall, Muriel C.	17		
TOTAL VOTE:	18	0	

HOUSE COMMITTEE ON EDUCATION

PUBLIC HEARING on Bill # HB1402

BILL TITLE: relative to inclusion of chartered public schools in school district bond issuance votes.

DATE: 2/3/22

ROOM: 205-207

Time Public Hearing Called to Order: 9:55 AM

Time Adjourned: 10:45 AM

Committee Members: Reps. Ladd, Cordelli, Boehm, A. Lekas, Moffett, Hobson, Ford, Soti, B. Nelson, Litchfield, Luneau, Cornell, Tanner, Ellison, Mullen, Woodcock, Walz and Porter

***Rep Maureen Mooney, prime sponsor**

The intention of this bill is to allow chartered schools participation in the bond process as well as open the lines of communication further between school districts and chartered schools. The bill strengthens communication between school districts and chartered public schools. This bill would clarify whether charter public schools are even allowed to participate in the bond process because that is unclear in current law.

Rep Walz, You are asking a local school district to take over a bond for a school which it has no authority.

Response: No.

Rep Walz, I do not understand how that financing information has any say over an Independent Institution. Yet, the town, despite having no say about how the school is run, would be financially on the hook.

Rep Luneau, I think that we need to be completely with the taxpayers of NH when it comes to a bill like this. I would like you to explain how the word shall on line 15 does not put the voters on the hook for a bond for an Independent institution.

Response: It states "Shall" invite to the discussion, that's all. If the school district says no, then the answer is no. I also absolutely agree with your point about transparency.

Rep Woodcock, How does the Charter school pay its fair share under this.

Response: They don't. The taxpayers do.

Rep Woodcock, so the other sending districts do not pay anything?

Response: In the discussions, may they be able to figure something out "beyond."

Rep Moffet, a bill that gave Charters first "dibs" on buildings. Does that not support the relationship between the community schools?

Response: Yes, it does open lines, but this would open lines further in terms of construction costs.

Rep Ellison, This bill discusses that if the school becomes insolvent. How does the school pay if it is insolvent?

Response: If the public school and charter school would enter into a contract to include and account for these types of scenarios.

Rep Ford, Who owns the property? Wouldn't it help if this clarified who held the lien to begin with?

Response: I agree with that, I think that would be a friendly amendment and an asset to the bill.

***Bill Phillips, National Alliance of Public Charter Schools, in support of this bill**

The rationale for the bill is two fold where charter schools are using money that should be for programming.

The law right now is clear. He is not sure how a charter would pass a bond.

A public school is looking for a bond, they will be required to invite the charter school to the table. Don't forget, the taxpayer gets to say no.

We have a state now that is looking to build up our charter schools. Several obstacles, finding finances, talent, and facilities. When I look at a lot of states, it does not surprise me that charters are having a hard time getting their buildings.

The question regarding who owns the building, charters actually get into dissolution agreements with the state.

Kimberly Lavallo, is in support of this bill

Trying to find money for any improvement or purchase is very difficult. It is either earned through fund raising or you need to take something away from students.

Rep Moffett, if this were to move forward can a public school and a charter school use this space if this bill were to pass.

Response: I do not think that would be a problem, but I would defer to others.

Rep Moffett, Do you have any examples of public and charter schools sharing a building?

Bob Best, Atty with Sulloway and Hollis and provides legal advice to many charter schools. You may have a building that you acquired for free, but may need a million dollars in upgrades.

Rep Ladd, We have in state, what we call a school building authority. This states that bonds be guaranteed through the state, why are we trying to drive it down to the districts?

Rep Walz, given the lack of resources that the charter schools have, wouldn't the market just consider these junk bonds?

I do not understand how you are saying it is all lined up ahead of time?

Response: The public offerings of bonds are done through a trustee and are they rated. Ultimately if someone does not buy the bonds, it is just a loan that didn't go through.

Rep Porter, if bond is defaulted on, would it adversely impact the school district's credit rating.

Response: Would need to be addressed and outlined in the contract.

Respectfully submitted,

Rep. Melissa Litchfield, Clerk

House Remote Testify

Education Committee Testify List for Bill HB1402 on 2022-02-03

Support: 4 Oppose: 2 Neutral: 0 Total to Testify: 0

Export to Excel

<u>Name</u>	<u>City, State</u> <u>Email Address</u>	<u>Title</u>	<u>Representing</u>	<u>Position</u>	<u>Testifying</u>	<u>Non-Germane</u>	<u>Signed Up</u>
Ward, Senator Ruth	Stoddard, NH ruth.ward@leg.state.nh.us	An Elected Official	Senate District 8	Support	No	No	1/19/2022 1:47 PM
Choate, Kerri	Rollinsford, NH klf.choate@gmail.com	An Elected Official	Myself	Oppose	No	No	1/26/2022 9:48 PM
Richardson, Daniel	Nashua, NH daniel6_22@comcast.net	A Member of the Public	Myself	Support	No	No	1/31/2022 3:35 PM
Petrusewicz, Carol	Rochester, NH clmcc2befree@yahoo.com	A Member of the Public	Myself	Support	No	No	1/31/2022 4:18 PM
Cutting, Sarah Ellen	ALEXANDRIA, NH mrscutting211@gmail.com	A Member of the Public	Myself	Oppose	No	No	2/1/2022 9:38 AM
Bryant, Daron	Manchester, NH Daronbryant84@gmail.com	A Member of the Public	Myself	Support	No	No	2/1/2022 4:15 PM



Barrett M. Christina, Executive Director
Brenda Willis, President, Derry Cooperative
Holly Kennedy, First Vice-President, Hinsdale
Travis Thompson, Past-President, Exeter Regional Cooperative

25 Triangle Park Drive, Suite 101
Concord, NH 03301
Phone: (603) 228-2061
www.nhsba.org

January 25, 2022

Dear Chairman Ladd and members of the House Education Committee,

On behalf of the New Hampshire School Boards Association, please accept this correspondence as NHSBA's written testimony relative to the multitude of bills listed below, related to the provision of special education services and related to general education in charter schools:

HB 1047: relative to the chartered public school joint legislative oversight committee.

HB 1074: relative to notice to a chartered public school of a special education services meeting.

HB 1132: relative to applications for a charter conversion school.

HB 1141: relative to special education services for children in chartered public schools.

HB 1193: relative to chartered public school fees and enrollment policies.

HB 1212: relative to charges for chartered public school transportation.

HB 1402: relative to inclusion of chartered public schools in school district bond issuance votes.

HB 1428: relative to the provision of special education services by chartered public schools.

HB 1453: relative to transportation to a chartered public school.

HB 1499: relative to chartered public school eligibility for state school building aid.

There are also two Senate bills related to charter schools:

SB 238: relative to special education services in chartered public schools.

SB 386: relative to the determination of state adequate education grants and chartered public school tuition amounts.

It should be noted that local districts have attempted to gain clarity around the provision of special education services in public charter schools, offering information and fiscal impacts, as well as providing additional data to, and gathering additional information from, the New Hampshire Department of Education.

In 2021, the NH State Board of Education was scheduled to hold two “retreat” days, to discuss special education in charter schools, stating that experts, as well as those in the field, would be presenting to the state board, in a collaborative effort to potentially revise the charter school rules to reach a better understanding between charter schools and local districts. While the state board did hold one day of “retreat” to discuss general education in charter schools, the days dedicated to addressing special education in charter schools were never held.


It is also important to recognize that New Hampshire is the only state which handles special education in public charter schools in our current format. There are no other states to look to, in regards to implementation of special education services by multiple districts based on the student’s district of residence in one charter school, and to address the complexities of this model.

NHSBA would support the possibility of a Memorandum of Understanding being developed by the Department of Education, to be used between public charter schools and local school districts, which would encapsulate the concerns brought forth in the charter school bills filed this session. Additional topics addressed could include, but not be limited to such topics as what is considered the least restrictive environment, rate setting by the Department of Education for charter schools to bill back to local districts for special education or related services, transportation of students to charter schools, meeting notification, etc. All of these concerns are currently left to local districts now, to negotiate with each separate charter school where students attend. For some districts, this can mean trying to meet with between 5-10 charter schools, some far from the district of residence.

Please do not hesitate to reach out with any further questions or if NHSBA can be of any further assistance.

Respectfully submitted,

Rebecca R. Wilson, NHSBA, Director of Governmental Relations

Archived: Thursday, February 10, 2022 11:15:53 AM
From: David
Sent: Wednesday, February 2, 2022 5:50:48 PM
To: ~House Education Committee; Granite State Taxpayers
Subject: In support of HB 1402
Importance: Normal
Attachments: dmc2015.vcf ;

Dear Education Committee:

I am David McConville, Vice Chairman, Granite State Taxpayers (GST). GST provides information and Education for the Taxpayers of New Hampshire.

I am writing in support of HB1402 - relative to inclusion of chartered public schools in school district bond issuance votes.

Charter Schools have proven to be an invaluable asset to the the options of New Hampshire school children. Bonds in support of the the facilities of Charter Schools will only enhance the offering.

Since HB1402 provides a method to cover the bond issue in lieu of default there is no liability to the State.

Granite State Taxpayers urges you to vote yes on HB1402.

Best wishes,

David McConville

Vice Chairman, Granite State Taxpayers

David McConville 49 County Road
Amherst, NH 03031
DMC2015@comcast.net 603.801.0187

February 3, 2022

My name is Bill Phillips. I am the Vice President of State Advocacy and Support for the National Alliance for Public Charter Schools. I am here to testify in support of HB 1402, AN ACT relative to chartered public school eligibility for local bonding.

The rationale for bill is twofold:

- Once a charter school is sufficiently established, it typically needs a building that better matches the program goals in the charter. Moreover, the school needs to do that in a way that doesn't force facilities payments to compromise programming.
- School bonds are difficult to pass. Including charter interests in the bonding process increases the likelihood of a more comprehensive solution – that may also win sufficient voter support.

Broadly speaking the mechanism would work as follows:

- When the district considers a project that requires bonding, it notifies the charter of its intentions.
- The charter has the right to request participation in the bonding effort.
- However, the district also has the right to accept or reject this request. To be clear, district and charter collaboration in the bonding effort is voluntary.

Also worthy of note, the Municipal Finance Act is not clear as to the ability of charters to participate in bonding efforts. Assuming the district the district agrees to this collaboration, this bill would make clear that such collaboration is allowed by law.

During the past month, we have highlighted facilities as an impediment to charter growth in New Hampshire. We understand these issues cannot be fixed all at once, which is why we worked with Representative Mooney and the New Hampshire Charter Schools Alliance to present you with multiple ways to help chip away at the problem. It's also why we appreciate your willingness to increase to lease aid last year and give charters first right of refusal on surplus district space.

Our hope is that you take this next step to put charters more closely on a par with district schools by granting opportunities to access local bonding.

Respectfully,
Bill Phillips

Estimate of New Hampshire's funding gap position using NCES and local data.¹

State	Charter	District	Gap
NV	\$7,569	\$17,494	57%
NH	\$7,100	\$15,300	54%
CT	\$14,363	\$23,557	39%
NM	\$11,592	\$17,658	34%
AZ	\$9,411	\$14,040	33%
NJ	\$16,040	\$23,593	32%
ID	\$7,978	\$11,426	30%
UT	\$7,768	\$11,122	30%
DE	\$13,000	\$18,251	29%
TX	\$10,213	\$14,247	28%
ME	\$12,679	\$17,680	28%
OK	\$7,888	\$10,293	23%
MI	\$10,028	\$13,057	23%
IN	\$9,976	\$12,738	22%
PA	\$14,927	\$18,517	19%
OH	\$11,387	\$14,087	19%
DC	\$26,778	\$31,382	15%
WA	\$14,462	\$16,627	13%
GA	\$10,406	\$11,831	12%
AR	\$9,860	\$11,180	12%
LA	\$12,672	\$14,204	11%
NC	\$9,528	\$10,320	8%
MA	\$19,527	\$20,770	6%
MN	\$15,280	\$14,486	-5%
RI	\$22,740	\$20,013	-14%
MO	\$14,423	\$12,261	-18%
MS	\$12,779	\$10,146	-26%
SC	\$18,050	\$13,156	-37%

A survey of New Hampshire charter facilities was performed in 2018.² Key takeaways at the programmatic level were that most New Hampshire charter schools lack amenities and specialized instructional spaces required to best implement their educational programs.

- 63 percent of charter schools (15/24) reported that their facility did not have the ideal amenities, nor desired specialized classrooms, to best implement their educational program.
- 71 percent of charter schools (17/24) did not have a dedicated library/media center.
- 42 percent of charter schools serving high school students (5/12) did not have access to a dedicated science lab.
- 96 percent of charter schools (23/24) lacked a full-preparatory kitchen facility.
- 50 percent of charter schools (12/24) indicated that they do not have a lunchroom.

¹ <https://data.publiccharters.org/digest/charter-school-data-digest/how-are-charter-schools-financed/>

Note: Data from Authors' calculations using the NCES National Public Education Financial Survey 2006-07 through 2016-17. See here for details. Data adjusted for inflation using 2017 constant dollars.

<https://nhcharterschools.org/faq/>

² An Analysis of the Charter Schools Facilities Landscape in New Hampshire, March 2018, The Charter Schools Facilities Initiative, National Charter Schools Resource Center at Safari Partners.

Rep. Maureen C. Mooney
Town of Merrimack (Hillsborough #21)

<u>Testimony:</u>	HB 1402-L AN ACT relative to inclusion of chartered public schools in school district bond issuance.
<u>Hearing:</u>	House Committee on Education ~ February 3, 2022 at 9:45am
<u>Position:</u>	In <u>Support</u> as Prime Sponsor

My name is Maureen Mooney, a State Representative for the Town of Merrimack in Hillsborough County, district #21. I am the prime sponsor of **HB 1402 AN ACT** relative to inclusion of chartered public schools in school district bond issuance. I am **in support** of this bill.

The intention of the bill is to allow chartered schools participation in the bond process as well as open the lines of communication further between school districts and chartered schools. This can be done as follows within the bill placed in the "Municipal Finance Act" RSA 33:1-33:20.

- 1.) School districts considering submitting questions of authorizing bonded indebtedness ***shall*** invite chartered schools to participate in discussions, and are ***encouraged*** to voluntarily include funding for capital construction needs of chartered public schools in the district's questions of authorizing bonded indebtedness. [HB 1402 section II(a)].
- 2.) If the chartered public school **has construction needs**, it may request that the local school board include it as part of a ballot question for approval of bonded indebtedness for the voters [HB 1402 section II(b)] and **must** submit a detailed capital construction plan to the school district board including specified items. [HB 1402 section II(c)(1-8)].
- 3.) The School Board shall notify the chartered public school (in writing) **whether it has accepted or not** the capital construction needs for inclusion in the ballot question [HB 1402 section V(a)]. This gives the School Board authority to accept or reject the chartered school's request.
- 4.) **Scenario 1:** If **accepted**, the chartered public school capital construction needs shall be included in the same ballot questions submitted by the district. [HB 1402 section V(b)].
- 5.) **Scenario 2:** If **not accepted**, then the chartered public school has an opportunity to address any issues provided in writing by the School Board. [HB 1402 section V(c)].

Additionally, the bill allows for alternative financial plans whereby school districts and chartered public schools ***may*** agree to an alternative financial plan addressing facility needs for benefit of chartered public schools [HB 1402 section III]. Such plans could include "*retiring financial obligations previously issued for the benefit of the chartered public school.*" See HB 1402 page 2, line 16.

The final section of the bill amends the chartered public school RSA 194-B:5, III(h) to reference the process of bond issuance. This is the same section stating the state is not liable for any debt or other obligation [HB 1402 section 2].

The bill strengthens communication between school districts and chartered public schools, provides options for funding capital construction costs for chartered schools, and clarifies whether or not chartered public schools are allowed to participate in the bond process. Thank you for your attention to this matter and service to our state.

Respectfully Submitted,
Rep. Maureen Mooney

Post Office Box 1676, Merrimack, New Hampshire 03054-1676
Telephone: 603.233.0319 ~ Email: Maureen.Mooney@leg.state.nh.us

HB 1402-LOCAL - AS INTRODUCED

2022 SESSION

22-2701

10/05

HOUSE BILL ***1402-LOCAL***

AN ACT relative to inclusion of chartered public schools in school district bond issuance votes.

SPONSORS: Rep. Mooney, Hills. 21; Rep. Hobson, Rock. 35; Rep. Healey, Hills. 21; Rep. Notter, Hills. 21; Sen. Ward, Dist 8; Sen. Carson, Dist 14

COMMITTEE: Education

ANALYSIS

This bill establishes a procedure for a chartered public school to elect to include its planned land, construction, or renovation costs in the local school district's vote to authorize bonded indebtedness.

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 inclusion of chartered public schools in school district bond issuance votes.

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

1 1 New Section; Municipal Finance Act; School District Bonds; Chartered Public Schools
2 Election. Amend RSA 33 by inserting after section 20 the following new section:

3 33:21 Chartered Public Schools; Bond Election Participation.

4 I. It is the intent of section to respect the principle of school district local control and to
5 encourage school districts and chartered public schools to work together to ensure that the capital
6 construction needs of chartered public schools can be met. Accordingly, nothing in this section shall
7 be construed to limit in any way the existing ability of any school district to assist a chartered public
8 school in financing its capital construction needs in any legal manner mutually agreed upon by the
9 school district and the chartered public school.

10 II.(a) Each school district that is considering submitting any question of authorizing bonded
11 indebtedness under this chapter shall invite each chartered public school residing within the district
12 to participate in discussions regarding the possible submission of such a question at the earliest
13 possible time but no later than June 1 preceding the vote, and each school district is encouraged to
14 voluntarily include funding for the capital construction needs of chartered public schools in the
15 district's questions of authorizing bonded indebtedness without requiring a chartered public school
16 to comply with the capital construction plan submission process set forth in subparagraph (b).

17 (b) A chartered public school that has capital construction needs may seek to obtain
18 moneys to fund such capital construction needs by requesting that the local school board include the
19 chartered public school's capital construction needs as part of a ballot question for approval of
20 bonded indebtedness to be submitted by the district to the voters of the district.

21 (c) A chartered public school that seeks to have its capital construction needs included as
22 part of a ballot question to be submitted by the board of education to the voters of the district shall
23 submit a capital construction plan to the board of education. The plan shall include:

24 (1) A statement of reasons why the capital construction to be financed by bonded
25 indebtedness is necessary;

26 (2) A description of the capital construction to be financed by bond proceeds;

27 (3) A description of the architectural, functional, and construction standards that
28 meet applicable state building code requirements and are to be applied to each facility that is the
29 subject of the capital construction project;

HB 1402-LOCAL - AS INTRODUCED

- Page 2 -

1 (4) An estimate of the total cost of completing the capital construction to be financed
2 by bonded indebtedness, if any moneys other than proceeds of bonded indebtedness and interest
3 earned on such proceeds are to be used to finance the capital construction, a breakdown of the
4 moneys that will be used to finance the capital construction;

5 (5) An estimate of the amount of time needed to complete the capital construction;

6 (6) A statement addressing whether construction and renovation, payment of
7 overrun costs, and other capital construction project issues are to be managed by the chartered
8 public school or the district, with costs for management to be negotiated by the chartered public
9 school and the district;

10 (7) A statement of reasons why revenue sources other than bonded indebtedness are
11 inadequate to fully finance the capital construction; and

12 (8) A statement of the chartered public school's preferred means of obtaining
13 moneys.

14 III. The local school board of a school district and a chartered public school may agree to an
15 alternative financial plan that addresses a chartered public school's facilities needs, including
16 retiring financial obligations previously issued for the benefit of the chartered public school.

17 IV.(a) The local school board of a school district may require a chartered public school to
18 certify that school construction to be financed with bond proceeds in accordance with this section will
19 remediate an identified shortcoming in the chartered public school's facilities and that any
20 construction will conform to any applicable construction guidelines.

21 (b) The local school board of a school district and a chartered public school may agree to
22 reserve or escrow funds for the benefit of the chartered public school.

23 V.(a) The local school board shall notify the chartered public school in writing whether the
24 school district has accepted the chartered public school's capital construction needs for inclusion in
25 the ballot question at the upcoming election no later than 60 days prior to the date by which the
26 school district is required to authorize the bond issuance vote.

27 (b) If the local school board has accepted the chartered public school capital construction
28 needs for inclusion in the ballot question at the upcoming election, the local school board shall
29 include the chartered public school's capital construction in the same ballot question being submitted
30 by the district for approval of bonded indebtedness.

31 (c) If the local school board has not accepted the chartered public school's capital
32 construction needs for inclusion in the ballot question at the upcoming election, the local school
33 board shall provide the chartered public school with a written statement specifying the reasons for
34 excluding the needs, and the chartered public school shall have an opportunity to address any issues
35 raised by the board.

36 VI. When a school district includes a chartered public school's capital construction plan in a
37 district ballot question seeking approval of bonded indebtedness:

HB 1402-LOCAL - AS INTRODUCED

- Page 3 -

1 (a) The local school board and the chartered public school shall agree to the process by
2 which the bond proceeds and investment and interest earnings on such proceeds shall be distributed
3 to the chartered public school prior to submitting the ballot question to the voters of the school
4 district;

5 (b) The investment and interest earnings on bond proceeds shall be distributed on a pro
6 rata basis to the participating chartered public school after management fees have been collected;
7 and

8 (c) The costs of submitting the ballot question shall be borne by both the district and the
9 chartered public school in proportion to their respective portions of the total bond proceeds to be
10 received unless the board and the chartered public school agree to a different cost-sharing
11 arrangement.

12 VII. Notwithstanding any other provision of this section, prior to such issuance of district
13 bonds issued for the purpose of financing chartered public school capital construction needs, the
14 chartered public school and district shall enter into a contract specifying that, if the chartered public
15 school's charter is revoked or not renewed, the chartered public school becomes insolvent and can no
16 longer operate as a chartered public school, or the chartered public school otherwise ceases to
17 operate, the amount of capital proceeds from district bonds provided to the charter school shall be
18 repaid to the district at a rate of 5 percent per annum over 10 years fully amortized, with such
19 repayment proceeds being used by the district for any lawful purpose of the general fund. Such
20 repayment may be evidenced by a note to the district from the fiscal agent of the surviving entity, or
21 agency responsible for asset liquidation.

22 2 Chartered Public Schools; Authority; Bonds. Amend RSA 194-B:5, III(h) to read as
23 follows:

24 (h) To incur long-term debt for the purpose of purchasing buildings or land, or for new
25 construction or renovations to existing buildings. The state shall not be liable for any debt or other
26 financial obligation incurred under this subparagraph. ***Chartered public schools may elect to***
27 ***fund capital construction through revenues from bond issues pursuant to RSA 33:21.***

28 3 Effective Date. This act shall take effect 60 days after its passage.