

SB 586 -- Redline

Version adopted by both bodies to Chaptered -- requiring chartered public schools, school administrative units, and cities or school districts not audited under RSA 671:5 to be audited by an independent public accountant after the end of the fiscal year and requiring the results of such audits to be made available to the public.

Deletions ~~struck~~ · Insertions underlined

CHAPTER 272 SB 586-FN - VERSIONFINAL ~~ADOPTEDVERSION-BY BOTH BODIES~~ 03/05/2026 0772s 23Apr2026...

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272:1 Education;

"I certify, under the pains and penalties of perjury, to the best of my knowledge and belief, that all of the information contained in this document is true, accurate and complete." ~~SB 586-FN -- VERSION ADOPTED BY BOTH BODIES -- Page 2 --~~IV.

CHAPTER 272 SB 586-FN - FINAL VERSION - Page 2 - V.

272:2 Effective Date.

~~LBAApproved: 26-2110 05/15/2026 SB 586-FN- FISCAL NOTE AS AMENDED BY THE HOUSE (AMENDMENT #2026-1500h) AN ACT requiring chartered public schools, school administrative units, and cities or school districts not audited under RSA 671:5 to be audited by an independent public accountant after the end of the fiscal year and requiring the results of such audits to be made available to the public.~~

~~FISCAL July IMPACT: 02, 2026 Effective Date:~~

~~This July bill 01, does 2026 not provide funding, nor does it authorize new positions.~~

~~Estimated State Impact FY 2026 FY 2027 FY 2028 FY 2029 Revenue \$0 \$0 \$0 \$0 Revenue Fund(s) None Expenditures* \$0 \$75,000 \$461,000 \$484,000 Funding Source(s) General Fund Appropriations* \$0 \$0 \$0 \$0 Funding Source(s) None *Expenditure - Cost of bill *Appropriation - Authorized funding to cover cost of bill Estimated Political Subdivision Impact FY 2026 FY 2027 FY 2028 FY 2029 Local Revenue \$0 \$0 \$0 \$0 Local Expenditures \$0 Indeterminable METHODOLOGY:~~

~~This bill requires district public school and charter public schools to complete a financial audit by April 1st each year and requires the Department of Education to withhold state grant funding until completed.~~

~~Under current law and practice, the Department states districts are required to complete an audit 12 months after fiscal year close and charter schools are required to submit after 9 months.~~

~~For the fiscal year ending June 2024, 55 percent of districts returned an audit within 12 months, and 58 percent of charter schools returned an audit within 9 months.~~

~~This bill allows for an extension to be granted up to 12 months after the audit due date.~~

~~Therefore, the bill allows districts and chartered public schools a maximum of 21 months to submit an audit until funding is withheld.~~

~~It is assumed that the bill's effective date of July 1, 2026, would impact FY 2027, which would require the audit to be submitted by April 1, 2028.~~

~~The first payments would be withheld starting April 2029.~~

~~It is assumed a very small number of districts and chartered public schools would not meet this requirement.~~

~~However, financial impacts would not occur, if any, until late in FY 2029.~~

~~The Department, within its existing operations, can collect audits reports, notify districts of the requirement and the deadline to submit, and withhold state funding as applicable.~~

~~With existing resources, the Department states it cannot review or analyze the submitted audit reports, nor can it assist districts and chartered public schools struggling with financial reporting and monitor audit identified deficiencies.~~

~~Additional resources are needed to implement all aspects of the proposed bill and effectively provide oversight of district and charter public school audit reports.~~

~~FY 2027 FY 2028 FY 2029 Two (2) District Auditors \$0 \$318,000 \$334,000 (SOC 13-00, Starting Step 0) One (1) Charter School Auditor \$0 \$143,000 \$150,000 (SOC 13-00, Starting Step 5) Contract Expense \$75,000 \$0 \$0 Total \$75,000 \$461,000 \$484,000 Under current law school administrative units (SAUs) are not required to receive an audit.~~

~~Therefore, this may create an additional cost for school districts.~~

~~AGENCIES CONTACTED:~~

~~Department of Education~~