

<b>SENATE FINANCE COMMITTEE - BUDGET DECISION SHEET</b>						
<b>Scholarship Programs (UNIQUE, Governor's Scholarship, Regenerative Manufacturing)</b>						
	<b>Contact</b>	<b>SOF</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>Total</b>
<b>HB 1:</b>						
<b>UNIQUE Program Administration Transfer</b>						
Restore transfer from Treasury to the Department of Education (DOE) for UNIQUE Program Administration. This transfer was removed in Governor's budget as part of program transfer. The changes to the UNIQUE program were removed from HB 2 in the House phase, however the funding in HB 1 was not adjusted.	Bill Dwyer, Treasurer & Tammy Vaillancourt, DOE	O	\$0	\$36,000	\$36,000	\$72,000
		O	\$0	\$36,000	\$36,000	\$72,000
<b>UNIQUE Program / Regenerative Manufacturing</b>						
<ul style="list-style-type: none"> <li>◦Authorize the state to pay, redeem, and refund all bonds issued by the Business Finance Authority (BFA) subject to state guarantee, with the debt service payments funded from revenue from the Excellence in Higher Education Endowment Fund.</li> <li>◦Authorize the BFA to restrict up to \$5,000,000 to provide regenerative manufacturing worker educational debt relief under RSA 162-T.</li> <li>◦Amend the UNIQUE program by requiring 95% of scholarship funds go to the "Annual Allocation" program and 5% to the "Endowment Allocation" program. Also, prohibit any eligibility threshold for expected family contribution from being set below \$10,000.</li> </ul> <b>Amendment 2019-2273s</b>	Senator D'Allesandro	O	\$0	\$0	\$0	\$0
<b>Governor's Scholarship Program</b>						
<ul style="list-style-type: none"> <li>◦Move the Governor's Scholarship Program, including a new administrative position, to Treasury (rather than to the Department of Education) where it will reside with the Unique Program and be managed by the New Hampshire college tuition savings plan advisory commission established in RSA 195-H.</li> <li>◦Reduce all general funds in the Department of Education for the Governor's Scholarship Program in HB 1 and make a general fund appropriation of \$6 million in FY 2019 to the Governor's Scholarship Fund, which will be budgeted in HB 1 in FY 2020 as "other funds".</li> <li>◦UNIQUE and Governor's Scholarship programs to be funded as provided in RSA 6:38 in FY 2021 and each year thereafter.</li> </ul> <b>Amendment 2019-2147s</b>	Senator Kahn	G	\$6,000,000	(\$6,000,000)	(\$8,000,000)	(\$8,000,000)
		O	\$0	\$6,000,000	\$0	\$6,000,000

Sen. D'Allesandro, Dist 20  
May 24, 2019  
2019-2273s  
08/10

Amendment to HB 2-FN-A-LOCAL

1           1 State Treasurer Authority; Redeem Bonds Issued by Business Finance Authority. The state  
2 treasurer is authorized to pay, redeem, and refund all bonds issued and outstanding by the business  
3 finance authority that are subject to a guarantee of the state pursuant to RSA 162-A:17. To provide  
4 funds for the payment, redemption and refund authorized by this section, the state treasurer is  
5 hereby authorized to borrow upon the credit of the state not exceeding the sum of amounts of  
6 principal and interest outstanding with respect to such bonds, plus an amount of costs attributable  
7 to such payment, redemption and refund, and for said purpose may issue bonds and notes in the  
8 name of and on behalf of the state of New Hampshire in accordance with RSA 6-A. Payments of  
9 principal and interest with respect to bonds issued for said purpose shall be made from revenue  
10 received by the state treasurer pursuant to RSA 6:39, VI.

11           2 Definitions; New Hampshire Excellence in Higher Education Endowment Fund. Amend RSA  
12 6:37 to read as follows:

13           6:37 Definitions. In this subdivision:

14           I. "Commission" means the New Hampshire college tuition savings plan advisory  
15 commission established in RSA 195-H.

16           II. "Eligible educational institution" means that which is defined in section 529 of the  
17 Internal Revenue Code, as amended.

18           III. *"Expected family contribution" means the amount determined by the formula*  
19 *established by the commission in rules that a student and his or her spouse and family are*  
20 *expected to contribute toward a student's cost of attendance.*

21           IV. "Trust fund" means the New Hampshire excellence in higher education endowment  
22 trust fund as established in this chapter.

23           V. *"New Hampshire college tuition savings plan UNIQUE annual allocation*  
24 *program" means the scholarship program established by the commission in rules.*

25           VI. *"New Hampshire college tuition savings plan UNIQUE endowment allocation*  
26 *program" means the scholarship program established by the commission in rules.*

27           3 New Hampshire Excellence in Higher Education Endowment Fund; Allocation of Receipts.  
28 Amend RSA 6:38, I to read as follows:

29           I. There is hereby established in the office of the treasurer the New Hampshire excellence  
30 in higher education endowment trust fund which shall be kept distinct and separate from all other  
31 funds. Annual assessments less any annual administrative costs *and amounts allocated for any*  
32 *debt service on bonds issued by the state to refund bonds previously issued by the business*

Amendment to HB 2-FN-A-LOCAL

- Page 2 -

1 *finance authority pursuant to RSA 162-A:17* received from the New Hampshire college tuition  
2 savings plan established under RSA 195-H shall be credited to the trust fund to provide  
3 scholarships for the benefit of residents of the state pursuing programs of study at eligible  
4 educational institutions within the state, *of which 95 percent shall be allocated to the New*  
5 *Hampshire college tuition savings plan UNIQUE annual allocation program and 5*  
6 *percent shall be allocated to the New Hampshire college tuition savings plan UNIQUE*  
7 *endowment allocation program.*

8 4 New Paragraph; New Hampshire Excellence in Higher Education Endowment Fund;  
9 Dedicated Allocation and Use of Funds. Amend RSA 6:39 by inserting after paragraph V the  
10 following new paragraph:

11 VI. Notwithstanding any law or rule to the contrary, the state treasurer shall be authorized  
12 to withdraw periodically from the trust fund receipts such amounts as are determined by the state  
13 treasurer to be equal to the principal and interest payments on bonds issued pursuant to RSA 6:38,  
14 I.

15 5 Rulemaking. Amend RSA 6:40, IV to read as follows:

16 IV. Procedures for determining the amount of funds available to provide annual  
17 scholarships through the trust fund *in accordance with RSA 6:38.*

18 6 Scholarships; Eligibility. Amend RSA 6:41, I to read as follows:

19 I. The commission shall determine all scholarship awards in a fair and equitable manner to  
20 eligible residents of this state who have satisfactorily met the minimum qualifications established  
21 by the commission. Scholarships shall be granted on the basis of merit and need, *however the*  
22 *eligibility threshold for expected family contribution shall not be set below \$10,000.*

23 7 New Paragraph; Regenerative Manufacturing Workforce Development Program; Business  
24 Finance Authority Funding Requirement. Amend RSA 162-T:3 by inserting after paragraph II the  
25 following new paragraph:

26 III. The authority shall, upon the payment, redemption and refund of bonds issued, restrict  
27 up to \$5,000,000 of funds of the authority to support such payments into the fund established by  
28 this section as are determined by the authority to be necessary for the purpose of providing  
29 regenerative manufacturing worker educational debt relief as provided by this chapter.

30 8 Business Finance Authority; Reduction of State Guarantee Capacity. Amend RSA 162-A:17, I  
31 to read as follows:

32 I. In view of the general public benefits expected to be derived from the authority's  
33 activities under this chapter, and their contribution to the social welfare and economic prosperity of  
34 the state and its political subdivisions, the governor and council may award an unconditional state  
35 guarantee of the principal and interest thereon of bonds issued under this chapter. The full faith  
36 and credit of the state shall be pledged for any such guarantees of principal and interest, but the  
37 total outstanding amount of bonds guaranteed by the state under this section shall not exceed in the

Amendment to HB 2-FN-A-LOCAL

- Page 3 -

1 aggregate at any time \$25,000,000 plus interest *less the amount of any principal on bonds*  
2 *issued by the state to refund bonds previously issued by the authority pursuant to this*  
3 *section*. In addition, the state shall not award a guarantee under this section if it would cause the  
4 contingent credit limit under RSA 162-A:22 to be exceeded. The governor, with the advice and  
5 consent of the council, is authorized to draw a warrant for such a sum out of any money in the  
6 treasury not otherwise appropriated, for the purpose of honoring any guarantee awarded under this  
7 section. The state's guarantee shall be evidenced on each guaranteed bond by an endorsement  
8 signed by the state treasurer in substantially the following form:

9 The state of New Hampshire hereby unconditionally guarantees the payment of the whole of the  
10 principal and interest thereon of the within bond, and for the performance of such guarantee the  
11 full faith and credit of the state are pledged.

12 \_\_\_\_\_  
13 State Treasurer

2019-2273s

AMENDED ANALYSIS

1. Sets an eligibility threshold for expected family contribution for New Hampshire college tuition savings plan programs and sets allocation rates for such programs.
2. Grants authority to the state treasurer and business finance authority concerning the regenerative manufacturing workforce development program.

Amendment to HB 2-FN-A-LOCAL

1 Amend the bill by replacing sections 156-159 with the following:

2  
3 156 Governor's Scholarship Program and Fund. RSA 4-C:31 through 4-C:35 are repealed and  
4 reenacted to read as follows:

5 4-C:31 Definitions. In this subdivision:

6 I. "Commission" means the college tuition savings plan advisory commission established in  
7 RSA 195-H:2.

8 II. "Eligible institution" means a postsecondary educational institution or training program  
9 within the university system of New Hampshire as defined in RSA 187-A, a postsecondary  
10 educational institution within the community college system of New Hampshire as defined in RSA  
11 188-F, or a private postsecondary institution approved to operate in this state that:

12 (a) Is approved by the higher education commission pursuant to RSA 21-N:8-a or  
13 accredited by the New England Commission of Higher Education; and

14 (b) Is a not-for-profit organization eligible to receive federal Title IV funds.

15 III. "Eligible student" means a first-year, full-time, Pell Grant-eligible student who meets  
16 the eligibility and residency requirements of RSA 4-C:33. "First-year" means a student who has  
17 never enrolled in an eligible institution .

18 IV. "Full-time" means an enrolled student who is carrying an academic course load that is  
19 determined to be full-time by the eligible institution based on a standard applicable to all students  
20 enrolled in a particular educational program. The student's course load may include any  
21 combination of courses, work, research, or special studies that the eligible institution considers  
22 sufficient to classify the student as full-time.

23 4-C:32 Governor's Scholarship Program and Fund Established.

24 I. There is hereby established the governor's scholarship program and the governor's  
25 scholarship fund. The program and fund shall be administered by the commission. The fund shall  
26 be kept distinct and separate from all other funds and shall be used to provide scholarships which a  
27 recipient shall apply to the costs of an education at an eligible institution. The funds shall be  
28 distributed to an eligible institution based on the number of eligible students awarded a scholarship  
29 and upon receipt of a request for reimbursement for such scholarship funds accompanied by  
30 appropriate documentation.

31 II. The state treasurer shall credit to the fund any appropriation relating to the governor's  
32 scholarship fund made in each fiscal year to the commission. The state treasurer shall invest the

Amendment to HB 2-FN-A-LOCAL

- Page 2 -

1 fund in accordance with RSA 6:8. Any earnings shall be added to the fund.

2 III. All moneys in the fund shall be nonlapsing and continually appropriated to the  
3 commission for the purposes of this subdivision.

4 IV. The commission may institute promotional programs and solicit and receive cash gifts  
5 or other donations for the purpose of supporting educational scholarships from the fund. The  
6 commission shall not solicit or accept real property.

7 V. All gifts, grants, and donations of any kind shall be credited to the fund.

8 4-C:33 Eligibility.

9 I. Any person who meets the following requirements shall be an eligible student:

10 (a) A person shall meet the residency requirements of RSA 193:12; be a graduate of a  
11 New Hampshire high school, public academy, chartered public school, New Hampshire private  
12 preparatory high school, a high school-level home education program as defined in RSA 193-A; have  
13 received a New Hampshire high school equivalency certificate; have completed at least 3 years of  
14 high school in this state; be pursuing a certificate, associate, or bachelor degree at an eligible  
15 institution in this state; and be eligible to receive a Pell grant; or

16 (b) A person shall be a graduate of a preparatory high school outside of this state while  
17 a dependent of a parent or legal guardian who is a legal resident of this state and who has custody  
18 of the dependent; or

19 (c) A person shall have a parent or guardian who has served in or has retired from the  
20 United States Army, Navy, Air Force, Marine Corps, or Coast Guard within the last 4 years and is a  
21 resident of this state; or

22 (d) A person shall be a graduate of a high school, public academy, chartered public high  
23 school, or a high school-level home education program outside of this state but have maintained his  
24 or her primary residence in this state for not less than 5 years preceding the date of application for  
25 a scholarship.

26 II. A person shall meet the qualifications for academic performance or work experience as  
27 established by the commission.

28 III. A person shall not have been adjudicated delinquent or convicted or pled guilty or nolo  
29 contendere to any felonies or any second or subsequent alcohol or drug-related offenses under the  
30 laws of this or any other state, or under the laws of the United States, except that an otherwise  
31 eligible person who has been adjudicated delinquent or has been convicted or pled guilty or nolo  
32 contendere to a second or subsequent alcohol or drug-related misdemeanor offense shall be eligible  
33 or continue to be eligible for a scholarship after the expiration of one academic year from the date of  
34 adjudication, conviction, or plea.

35 4-C:34 Procedures.

36 I. All scholarship funds shall be distributed to the eligible student by the eligible  
37 institution. The institution shall include the scholarship in the student's financial aid package and

Amendment to HB 2-FN-A-LOCAL

- Page 3 -

1 may seek subsequent reimbursement. The state shall provide the reimbursements twice per year to  
2 each eligible institution for the number of eligible students enrolled in the current semester or term  
3 who are receiving a scholarship. The institution shall submit the list of scholarship recipients to the  
4 commission or its designee no later than November 30 and April 30 of each academic year, and shall  
5 be reimbursed within 30 days of submission.

6 II. An eligible student may receive a scholarship in the amount of \$1,000 per year provided  
7 he or she maintains at least a 2.0 grade point average. An eligible student who earned the New  
8 Hampshire scholar designation at the time of high school graduation may receive a scholarship in  
9 the amount of \$2,000 per year provided he or she maintains at least a 2.5 grade point average. The  
10 eligible institution shall not reduce any merit or need-based grant aid that would have otherwise  
11 been provided to the eligible student. An eligible student may receive an annual scholarship for a  
12 maximum of 4 years.

13 III. In the event the state does not reimburse the eligible institution for scholarship  
14 amounts paid to an eligible student receiving an award, the eligible institution shall agree not to  
15 seek additional payments from the eligible student and to absorb the loss of funds without any  
16 consequence to the eligible student.

17 IV. The commission shall adopt rules, pursuant to RSA 541-A, relative to awarding and  
18 disbursing scholarship funds to an eligible student enrolled in an eligible institution.

19 V. An eligible student, who initially attends a community college and transfers directly to  
20 an eligible institution, without a break in attendance, shall remain an eligible student for a  
21 maximum of 4 years of total eligibility.

22 VI. The commission may hire staff or enter into a contract for services or personnel  
23 necessary to administer the program.

24 157 Program Transferred. The administration, implementation, and management of the  
25 governor's scholarship program established in RSA 4-C:31-34 is hereby transferred to the college  
26 tuition savings plan advisory commission established in RSA 195-H:2. Any administrative rules for  
27 the governor's scholarship program shall continue in effect and shall be enforced by the commission  
28 until such rules expire or are repealed or amended in accordance with applicable law.

29 158 Application of Receipts; Governor's Scholarship Fund. Amend RSA 6:12, I(b)(336) to read  
30 as follows:

31 (336) Moneys deposited into the governor's scholarship fund established in [~~RSA 4-~~  
32 ~~C:34~~] **RSA 4-C:32**.

33 159 College Tuition Savings Plan Advisory Commission; Administration of Governor's  
34 Scholarship Program. Amend the introductory paragraph of RSA 195-H:2, I(a) to read as follows:

35 I.(a) There is established the New Hampshire college tuition savings plan advisory  
36 commission which shall ensure the proper administration and management of the savings plan.  
37 The advisory commission shall ensure that the savings plan complies with the requirements of

Amendment to HB 2-FN-A-LOCAL

- Page 4 -

1 section 529 of the Internal Revenue Code of 1986, as amended, and any related federal law  
2 applicable to the savings plan. The commission shall also be responsible for ensuring the proper  
3 administration, implementation, and management of the New Hampshire excellence in higher  
4 education endowment trust fund established in RSA 6:38, **and the governor's scholarship**  
5 **program and fund established in RSA 4-C:31-34.** The commission shall consist of the following  
6 members:

7 160 New Hampshire Excellence in Higher Education Endowment Trust Fund. Amend RSA  
8 6:38, III to read as follows:

9 III. All moneys in the trust fund shall be nonlapsing and shall be continually appropriated  
10 to the commission for purposes of providing education scholarships under this subdivision **and the**  
11 **governor's scholarship program established in RSA 4-C:31-34.**

12 161 Appropriation; Governor's Scholarship Fund. There is hereby appropriated the sum of  
13 \$6,000,000 for the fiscal year ending June 30, 2019, to the governor's scholarship fund established  
14 in RSA 4-C:32, I. The governor is authorized to draw a warrant for said sums out of any money in  
15 the treasury not otherwise appropriated.

16 162 Effective Date. Section 161 of this act shall take effect June 30, 2019.

2019-2147s

AMENDED ANALYSIS

Replace paragraph 47 with the following:

47. Authorizes the establishment of the governor's finish line New Hampshire scholarship program in the community college system of New Hampshire, and transfers administration of the existing governor's scholarship program and fund to the college tuition savings plan advisory commission and makes an appropriation therefor.

48. Authorizes funds in the New Hampshire excellence in higher education endowment trust fund to be used to distribute scholarships under the governor's scholarship program.