

Bill as
Introduced

HB 642-FN - AS INTRODUCED

2013 SESSION

13-0317

04/03

HOUSE BILL **642-FN**

AN ACT establishing a scholarship program for certain New Hampshire residents interested in attending a postsecondary educational institution in the university system of New Hampshire.

SPONSORS: Rep. Elliott, Rock 8; Rep. Azarian, Rock 8

COMMITTEE: Education

ANALYSIS

This bill establishes the New Hampshire scholars program for certain high school students who are residents of New Hampshire.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

1 private sector grants, gifts, or donations of any kind for the purpose of funding the provisions of this
2 chapter. The moneys in this fund shall be nonlapsing and shall be continually appropriated to the
3 university of New Hampshire system board of trustees for the purposes of this chapter. The fund may
4 be expended by the university system of New Hampshire board of trustees to award partial
5 scholarships to selected students in accordance with this chapter. The state treasurer may invest
6 moneys in the fund as provided by law, with interest received on such investment credited to the fund.

7 200-N:4 Rulemaking. The university system board of trustees shall adopt rules, pursuant to
8 RSA 541-A, relative to the following:

9 I. Instituting a scholarship application process, which includes but is not limited to
10 requiring that all applicants complete a formal scholarship application on appropriate forms to be
11 developed by the board of trustees and time frames for the application process.

12 II. Procedures for awarding and disbursing scholarships.

13 III. Procedures for determining the amount of funds available to provide annual
14 scholarships.

15 3 New Subparagraph; Application of Receipts; New Hampshire Scholars Fund. Amend
16 RSA 6:12, I(b) by inserting after subparagraph (310) the following new subparagraph:

17 (311) Moneys deposited in the New Hampshire scholars fund established in
18 RSA 200-N:3.

19 4 Tobacco Tax; Distribution of Funds. Amend RSA 78:32 to read as follows:

20 78:32 Distribution of Funds.

21 I. The commissioner shall determine the additional amount of revenue produced by any
22 additional tax in excess of \$1.00 for each package containing 20 cigarettes or at a rate proportional to
23 such rate for packages containing more or less than 20 cigarettes, on all tobacco products sold at
24 retail in this state imposed by RSA 78:7 and shall certify such amount to the state treasurer by
25 October 1 of each year for deposit in the ~~[education trust fund established by RSA 198:39]~~
26 ***New Hampshire scholars fund established in RSA 200-N:3.***

27 II. The commissioner shall make quarterly estimates of the amount of additional revenues
28 that will be produced by such increase in tax rate for the next fiscal year and shall certify such
29 amount to the state treasurer for deposit in the ~~[education trust fund established by RSA 198:39]~~
30 ***New Hampshire scholars fund established in RSA 200-N:3.*** Such estimates shall be certified on
31 June 1, September 1, December 1, and March 1 of each year.

32 5 Application of Receipts. Amend RSA 6:12, I(b)(65) to read as follows:

33 (65) Money received under RSA 77-A, RSA 77-E, ~~[RSA 78,]~~ RSA 78-A, RSA 78-B, RSA 83-
34 F, and from the sweepstakes fund, which shall be credited to the education trust fund under RSA 198:39.

35 6 Repeal. RSA 198:39, I(d), relative to tobacco tax revenues deposited into the education trust
36 fund, is repealed.

37 7 Effective Date. This act shall take effect 60 days after its passage.

LBAO
13-0317
01/29/13

HB 642-FN - FISCAL NOTE

AN ACT establishing a scholarship program for certain New Hampshire residents interested in attending a postsecondary educational institution in the university system of New Hampshire.

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 University System of New Hampshire. When completed, the fiscal note will be forwarded to the House Clerk's Office.

HB 642 FISCAL NOTE

AN ACT establishing a scholarship program for certain New Hampshire residents interested in attending a postsecondary educational institution in the university system of New Hampshire.

FISCAL IMPACT:

The University System of New Hampshire and the Department of Revenue Administration state this bill, **as introduced**, will increase state expenditures by an indeterminable amount in FY 2014 and each year thereafter, and decrease state education trust fund revenue and increase state restricted revenue by an indeterminable amount in FY 2013 and by \$75,648,000 in FY 2014 and each year thereafter. There will be no impact on county and local revenue or expenditures.

METHODOLOGY:

This bill establishes a scholarship program for students attending a postsecondary institution within the University System of New Hampshire. In order to be eligible for the \$5,000 per year scholarship, a student must have been a resident of New Hampshire for the last five years and maintained an overall high school grade point average (GPA) of 3.0 or better in a public high school. The scholarship is for a maximum of four academic years. Applicants who are selected and who are pursuing a degree in a science, technology, engineering, or mathematics (STEM) discipline will receive an additional \$1,000 per year under the bill. The System makes a number of assumptions in calculating the effects of the bill. The System assumes:

- the bill applies only to first-time, full-time freshman graduating from a New Hampshire high school, and not to existing USNH students, part-time students, or transfer students;
- all otherwise eligible applicants meet the five-year residency requirement;
- there will be no attrition or transfer out of the program during the maximum four years of program eligibility;
- administrative costs are manageable and will be absorbed by USNH;
- there will be ten percent annual growth in participation;
- fifteen percent of eligible students will be eligible for the \$1,000 STEM supplemental scholarships, based on FY 2013 statistics; and
- funds to support the program will be appropriated by the state.

The System states that during FY 2013, there were 1,229 full-time, first-time, New Hampshire-resident students attending a USNH school with a high school GPA of 3.0 or greater. (This number does not include Granite State College students, as Granite State College does not track the high school GPA of its students.) These numbers include graduates of both public and private high schools; the System assumes approximately 90 percent, or 1,106, of these students attended a public high school and would have been eligible for the scholarship. Applying the ten percent annual growth rate mentioned above, the System projects the bill will have the following impact on state expenditures beginning in FY 2014:

	FY 2014	FY 2015	FY 2016	FY 2017
Cumulative number of students	1,217	1,217 + 1,339 = 2,556	2,556 + 1,473 = 4,029	4,029 + 1,620 = 5,649
Base scholarship costs (\$5,000 * cumulative # of students)	\$6,085,000	\$12,780,000	\$20,145,000	\$28,245,000
Additional STEM scholarship costs (\$1,000 * 15% of the cumulative # of eligible students)	\$182,550	\$383,400	\$604,350	\$847,350
Net Increase in state expenditures	\$6,267,550	\$13,163,400	\$20,749,350	\$29,092,350

The Department of Revenue Administration states this bill would change the disposition of certain tobacco tax revenue from the education trust fund to the New Hampshire scholars fund. The Department states it is unable to estimate the reduction of revenue to the education trust fund and the increase in revenue to the New Hampshire scholars fund there would be under this bill in FY 2014 and each year thereafter, however does estimate in FY 2013 it would have applied to approximately \$75,648,000. Ultimately this bill will have an indeterminable impact on state revenues and to the extent education trust fund revenues are decreased there will be a corresponding increase to state general fund expenditures.

Speakers

Hearing Minutes

HOUSE COMMITTEE ON EDUCATION

PUBLIC HEARING ON HB 642-FN

BILL TITLE: establishing a scholarship program for certain New Hampshire residents interested in attending a postsecondary educational institution in the university system of New Hampshire.

DATE: 2/14/13

LOB ROOM: 207 **Time Public Hearing Called to Order:** 1:20 pm

Time Adjourned: 1:50 pm

(please circle if present)

Committee Members: Reps. Gile, Grassie, Frazer, Burke, Arsenault, A. Schmidt, Rokas, Gorman, Myler, Spang, Shaw, Boehm, Greemore, Cordeli, Ladd, Willette, Grenier, Pitre, Bick and Harris.

Bill Sponsors: Rep. Elliott, Rock 8; Rep. Azarian, Rock 8

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

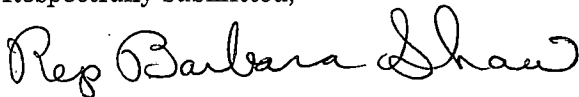
Rep. Bob Elliot – Supports

- Established a funding program designated to NH Scholarship program for NH residents who maintain a 3.0 or better GPA in High School.
- Funding by an increase in the tobacco tax if any amount above \$1.00 per pack.
- Part of program already in affect in University system
- Money would change from deposit & use in Education Trust Fund to deposit and use in NH scholarship fund.

***Mica Start**, UNH system – Supports

* **Will Stewart**, Manchester Chamber of Commerce – Supports

Respectfully submitted,



Rep. Barbara Shaw, Clerk

HOUSE COMMITTEE ON EDUCATION

PUBLIC HEARING ON HB 642-FN

BILL TITLE: establishing a scholarship program for certain New Hampshire residents interested in attending a postsecondary educational institution in the university system of New Hampshire.

DATE: 2-14-73

LOB ROOM: 207

Time Public Hearing Called to Order: 1:20 PM

Time Adjourned: 1:50 PM

(please circle if present)

Committee Members: Reps. Gile, Grassie, Frazee, Burke, Arsenault, A. Schmidt, Rokas, Gorman, Myler, Spang, Shaw, Boehm, Greemore, Cordell, Ladd, Willette, Grenier, Pitre, Bick and Harris.

Bill Sponsors: Rep. Elliott, Rock 8; Rep. Azarian, Rock 8

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

① Rep Bob Elliot sponsor

establish a funding program for designated to NH Scholarship program for NH residents who maintain a 3.0 or better GPA in HS.

funded by an increase in the tobacco tax ~~to \$1.00~~ ^{\$2.00} of any amount above \$1.00 per pack

part of program already in effect in University system

money would change from deposit & use in Education Trust Fund to deposit and use in NH Scholarship Fund.

② Mica Stark - UNH system

* written testimony

③ Will Stewart - Manchester Chamber of Commerce

* written testimony

Respectfully Submitted,
Rep. Barbara Shaw

Testimony

**New Hampshire House of Representatives
Education Committee
February 14, 2013**

HB 642

**Mica B. Stark, Special Assistant to the President for Government Relations
University of New Hampshire**

Thank you for the opportunity to testify this afternoon. New Hampshire holds the dubious distinction of being the only state in the country that does not provide any scholarship funding for students to go to post-secondary institutions. This is on top of another notable distinction: the state ranks last in the nation when it comes to funding for public higher education. We strongly encourage the legislature to invest in scholarships for New Hampshire high school graduates. Scholarship support helps defray the cost of higher education. It is our hope, however, that any new monies the legislature might dedicate to scholarship funds would come in addition to operating support for our four-year public colleges and universities. We would not support a bill that funds scholarships at the expense of our core operating support. HB 642's focus on recruiting the state's strongest students could be an integral component in a comprehensive strategy to retain more students in New Hampshire and contribute to the workforce the state needs.

USNH institutions already invest significant resources in merit-based scholarships for NH residents. From fall 2009 through fall 2011, UNH consistently enrolled approximately 300 NH residents in each entering class who were designated as either presidential or dean's scholars. Each class represented an investment of between \$650,000 and \$750,000 in merit scholarships. Notably, in the most recent year—fall 2012—UNH experienced a sharp drop in enrollment among NH merit recipients to only 225 presidential and dean's scholars (approximately \$425,000 in merit awards for that class of NH residents), despite making the same number of awards at admission. Academically stronger and more affluent NH students were electing to enroll at either private or out-of-state public institutions. So, a new scholarship program funded by the legislature (that does not take away from operating support for USNH) would be helpful to existing campus based merit scholarships and hopefully be attractive for more NH students electing to enroll at our public colleges and universities.

Over the past two years, Plymouth State University similarly has increased the number of merit scholarships. Admitted students awarded presidential scholarships doubled since 2010. TOPS scholarships were awarded to almost 100 more students than in 2010. PSU has invested \$713,000 in these scholarships. However, PSU also saw a decrease in yield among top scholarship recipients. As with UNH, students from more affluent backgrounds enrolled at either private or out-of-state public institutions. The experience at Keene State College is similar. Over 100 merit scholarships were awarded to incoming students. However, yield rates for students with stronger SAT scores declined.

Merit-based scholarships alone are an insufficient inducement to attract students who believe that the quality of the institution may be jeopardized by broader funding cuts. We

believe that it is the core commitment of the state to support public higher education that contributes to a perception of quality and stability, and this is what inspires confidence to enroll.

We also have concerns over the proposed administration of HB 642, which would require USNH to administer the scholarship program "at no cost to the state." Given that the administrative expenses of USNH are paid in part by the state's appropriation, it is not clear whether and how USNH would be required to segregate its work on the scholarships. HB 642 would locate the funds in the state treasurer's office rather than with USNH. Administering across the two state entities introduces inefficiencies. Finally, HB 642 would require USNH to engage in the state rulemaking process under RSA 541-A, the state's Administrative Procedures Act. There is a shared concern over the efficiency of this process as well.

Thank you for the opportunity to comment on this bill.

##

HB 642 File Copy

(B)



**GREATER
MANCHESTER**
Chamber of Commerce

54 Hanover Street
Manchester, NH 03101

Office: 603.666.6600
Fax: 603.626.0910

www.manchester-chamber.org

Feb. 14, 2013

RE: Manchester Chamber SUPPORTS HB 642

Dear members of the House Education Committee:

On behalf of the nearly 1,000 member businesses of the Greater Manchester Chamber of Commerce, I ask you to support HB 642, which seeks to establish the New Hampshire Scholars Program to provide scholarship assistance to New Hampshire residents attending a University System of New Hampshire institution.

At the Chamber's 2012 Policy Roundtable series held this past fall, attendees at both roundtables identified education as their number one priority and concern. With regard to higher education in particular, participants made several observations, including:

- "State colleges and universities receive only ten percent of their budgets from the state, placing the state at 49th or 50th in terms of state higher education funding. As a result, tuition is very high, which results in graduates having the highest average debt loads in the nation."
- "High tuition at UNH encourages New Hampshire kids to go to cheaper schools out of state. Many don't come back."
- "High student debt load also encourages New Hampshire college graduates to leave the state in search of higher paying jobs elsewhere."

In short, the state's increasingly unaffordable higher education tuition rates are bad for business. When our best and brightest leave and don't come back, New Hampshire's workforce is diminished, leaving many employers desperate to find qualified employees. At best, this results in state employers having to recruit employees from out of state. At worst, this results in employers leaving the state altogether in favor of areas with a higher quality labor pool.

By providing scholarship assistance as proposed in HB 642, however, the state can and should help stem this tide by lessening the financial burden many New Hampshire students face upon graduation.

Again, we respectfully request that you support HB 642. Thank you for your consideration of our position.

Sincerely,

Robin Comstock
President and CEO

Voting Sheets

HOUSE COMMITTEE ON EDUCATION

EXECUTIVE SESSION on HB 642-FN

BILL TITLE: establishing a scholarship program for certain New Hampshire residents interested in attending a postsecondary educational institution in the university system of New Hampshire.

DATE: February 19, 2013

LOB ROOM: 207

Amendments:

Sponsor: Rep.	OLS Document #:
Sponsor: Rep.	OLS Document #:
Sponsor: Rep.	OLS Document #:

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Judith Spang

Seconded by Rep. Rick Ladd

Vote: 17-0 (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: 17-0 YES

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,
Rep. Barbara E. Shaw
Rep. Barbara E. Shaw, Clerk

HOUSE COMMITTEE ON EDUCATION

EXECUTIVE SESSION on HB 642-FN

BILL TITLE: establishing a scholarship program for certain New Hampshire residents interested in attending a postsecondary educational institution in the university system of New Hampshire.

DATE: 2-19-2013

LOB ROOM: 207

Amendments:

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Motions: OTP, OTP/A, ITL Interim Study (Please circle one.)

Moved by Rep. Spang

Seconded by Rep. Ladd

Vote: 17-0 (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: 17-0 Yes

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,
Rep. Barbara E. Shaw, Clerk



STATE OF NEW HAMPSHIRE
OFFICE OF THE HOUSE CLERK

1/10/2013 8:43:55 AM
Roll Call Committee Registers
Report

2013 SESSION

EDUCATION

establishing a scholarship program for certain New Hampshire residents interested in attending a postsecondary educational institution in the university system of New Hampshire.

Bill #: NB642-FN Title:

PH Date: 2/14/2013

Exec Session Date: 2/19/2013

Motion: ITL

Amendment #: _____

MEMBER

YEAS

NAYS

Gile, Mary Stuart, Chairman		
Grassie, Anne C, V Chairman	✓	
Shaw, Barbara E, Clerk	✓	
Gorman, Mary J	✓	
Burke, Rachel B	✓	
Frazer, June M	✓	
Spang, Judith T	✓	
Arsenault, Beth R	✓	
Rokas, Ted		
Schmidt, Andrew R	✓	
Myler, Mel	✓	
Boehm, Ralph G	✓	
Ladd, Rick M	✓	
Greemore, Robert H	✓	
Pitre, Joseph A		
Willette, Robert F	✓	
Bick, Patrick J	✓	
Cordelli, Glenn	✓	
Grenier, James L	✓	
Harris, Jeffrey F	✓	
TOTAL VOTE:		

17

0

Committee Report

CONSENT CALENDAR

February 27, 2013

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

**The Committee on EDUCATION to which was referred
HB642-FN,**

**AN ACT establishing a scholarship program for certain
New Hampshire residents interested in attending a
postsecondary educational institution in the university
system of New Hampshire. Having considered the
same, report the same with the following Resolution:**

RESOLVED, That it is INEXPEDIENT TO LEGISLATE.

Rep. Judith T Spang

FOR THE COMMITTEE

COMMITTEE REPORT

Committee:	EDUCATION
Bill Number:	HB642-FN
Title:	establishing a scholarship program for certain New Hampshire residents interested in attending a postsecondary educational institution in the university system of New Hampshire.
Date:	February 19, 2013
Consent Calendar:	YES
Recommendation:	INEXPEDIENT TO LEGISLATE

STATEMENT OF INTENT

This bill would establish a NH scholars program for students pursuing a degree at the university system of NH who have a grade point average of at least 3.0. There is currently no state-funded scholarship program at the university system. Revenue would come from a cigarette tax in excess of \$1.00 over the current tax rates, which would not be assured. The committee was most concerned that all tobacco tax revenues under TSA 198:39, I (a) would be removed from the general education trust fund. This would further reduce funds going to K-12 education including adequacy funding, kindergarten and charter schools.

Vote 17-0.

Rep. Judith T Spang
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

CONSENT CALENDAR

EDUCATION

HB642-FN, establishing a scholarship program for certain New Hampshire residents interested in attending a postsecondary educational institution in the university system of New Hampshire.

INEXPEDIENT TO LEGISLATE.

Rep. Judith T Spang for EDUCATION. This bill would establish a NH scholars program for students pursuing a degree at the university system of NH who have a grade point average of at least 3.0. There is currently no state-funded scholarship program at the university system. Revenue would come from a cigarette tax in excess of \$1.00 over the current tax rates, which would not be assured. The committee was most concerned that all tobacco tax revenues under TSA 198:39, I (a) would be removed from the general education trust fund. This would further reduce funds going to K-12 education including adequacy funding, kindergarten and charter schools. **Vote 17-0.**

HB642-FN

establishing a scholarship program for certain New Hampshire residents interested in attending a postsecondary educational institution in the university system of New Hampshire.

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ITL

17-0 CC

Rep. Judith Spang

Judith Spang

Mary Stuart Gile

Question on
blurb
see Judy

see line 4 typed
see line 5

OK & ~~Y~~
omit that portion