LEGISLATIVE COMMITTEE MINUTES

HB676

Bill as Introduced

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HB 676-FN-A - AS INTRODUCED

2015 SESSION

15-0665 04/05

HOUSE BILL 676-FN-A

AN ACT establishing 'a science, technology, engineering, and mathematics scholars program.

SPONSORS: Rep. Kurk, Hills 2; Rep. Ladd, Graf 4; Rep. Gile, Merr 27; Rep. Shaw, Hills 16; Rep. Umberger, Carr 2; Sen. Reagan, Dist 17; Sen. Stiles, Dist 24

COMMITTEE: Education

ANALYSIS

This bill establishes a science, technology, engineering, and mathematics (STEM) scholars program to be administered by the university system of New Hampshire board of trustees to provide partial scholarships to students pursuing either a 4-year degree in a STEM field at a public postsecondary educational institution of the university system of New Hampshire who agree to work in New Hampshire after graduation in a STEM field for a minimum of 5 years.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

HB 676-FN-A - AS INTRODUCED

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Fifteen

AN ACT establishing a science, technology, engineering, and mathematics scholars program. Be it Enacted by the Senate and House of Representatives in General Court convened: 1 1 New Paragraph; University System of New Hampshire; Board of Trustees. Amend RSA 187- $\mathbf{2}$ A:16 by inserting after paragraph XXIII the following new paragraph: 3 XXIV. Administer, at no cost to the state, all aspects of the science, technology, engineering, 4 and mathematics (STEM) scholars program established in RSA 200-N. 5 2 New Chapter; Science, Technology, Engineering, and Mathematics (STEM) Scholars Program. Amend RSA by inserting after chapter 200-M the following new chapter: 6 $\overline{7}$ CHAPTER 200-N SCIENCE, TECHNOLOGY, ENGINEERING, AND 8 MATHEMATICS (STEM) SCHOLARS PROGRAM 9 200-N:1 Program Established. There is hereby established the science, technology, engineering, 10 and mathematics (STEM) scholars program which shall be administered by the university system of 11 12New Hampshire board of trustees. The purpose of this program is to provide full tuition scholarships 13to students pursuing a 4-year degree in a STEM field at any public postsecondary educational 14 institution of the university system of New Hampshire who agree to work in New Hampshire after 15 graduation in a STEM field for a minimum of 5 years. All funds received pursuant to this chapter shall be nonlapsing and continually appropriated to the university system of New Hampshire for the 16 17 purposes of this program. 18 200-N:2 Program Criteria. 19 I. Any student who is interested in pursuing a 4-year degree in a STEM field at any public 20

20 postsecondary educational institution of the university system of New Hampshire and whose family 21 income is less than 400 percent of the state median family income based on the most recent 22 calculations by the United States Department of Commerce, Census Bureau, shall be eligible to 23 apply for this program. An eligible student shall submit an application to the university system of 24 New Hampshire board of trustees, on a form developed by the board of trustees.

II. Applicants who are selected to receive a scholarship under this program shall maintain a 26 2.0 grade point average and meet such other criteria as may be established in this chapter. 27 Preference shall be given to those students who, but for the award of a scholarship under this 28 program, would not work in New Hampshire in a STEM field after graduation. Applicants selected 29 shall receive a scholarship for the applicable tuition and academic fees reduced by the amount of any 30 other scholarship aid they may receive. No other charges for tuition or fees shall be imposed on the

The scholarship shall be for a maximum of 4 academic years. Out-of-state students ' 1 student. 2 awarded scholarships under this program shall be assessed the in-state tuition rate.

3 III. Applicants selected to receive a scholarship under this program shall agree to work in 4 New Hampshire after graduation in a STEM field for at least 5 years.

- 5 IV. A scholarship recipient who does not work in New Hampshire after graduation in a 6 STEM field for at least 5 years shall return to the university system of New Hampshire 20 percent of 7 the total of all scholarships received under this chapter for each year or portion of a year in which 8 the recipient did not work in New Hampshire. All funds so returned shall be placed in the STEM 9 scholars fund established in 200-N:3.
- 10

V. All funds in the STEM scholars fund established in RSA 200-N:3 shall be used annually to provide scholarships under this program. 11

12 200-N:3 STEM Scholars Fund Established. There is hereby established in the office of the state 13 treasurer a fund to be known as the STEM scholars fund. The fund shall include any sums 14 appropriated for such purpose. In addition, the university system of New Hampshire board of 15trustees may accept public sector and private sector grants, gifts, or donations of any kind for the 16 purpose of funding the provisions of this chapter. The moneys in this fund shall be nonlapsing and 17 shall be continually appropriated to the university system of New Hampshire board of trustees. The 18 fund shall be expended by the university system of New Hampshire board of trustees to award 19 scholarships to selected students pursuing studies in a STEM field in accordance with this chapter. 20The state treasurer may invest moneys in the fund as provided by law, with interest received on 21such investment credited to the fund.

22200-N:4 STEM Fields Defined. In this chapter, "STEM" or "STEM field" means the following 23list of occupations in the 2010 federal Standard Occupational Classification (SOC) system: 11-3021; 2411-9041; 11-9121; 15-1111; 15-1121; 15-1131; 15-1132; 15-1134; 15-1141; 15-1143; 15-1151; 15-1152 25:15-1199; 15-2011; 15-2031; 15-2041; 15-2091; 15-2099; 17-1011; 17-1012; 17-1021; 17-1022; 17-2011; 17-2021; 17-2031; 17-2041; 17-2051; 17-2061; 17-2071; 17-2072; 17-2081; 17-2111; 17-2112; 17-2131; 262717-2141; 17-2151; 17-2161; 17-2199; 17-3011; 17-3012; 17-3013; 17-3019; 17-3021; 17-3022; 17-3023; 17-3024; 17-3025; 17-3026; 17-3027; 17-3029; 17-3031; 19-1011; 19-1012; 19-1013; 19-1021; 19-1022; 28 19-1023; 19-1029; 19-1031; 19-1032; 19-1041; 19-1042; 19-1099; 19-2011; 19-2012; 19-2021; 19-2031; 29 19-2032; 19-2041; 19-2042; 19-2043; 19-2099; 19-4011; 19-4021; 19-4031; 19-4041; 19-4051; 19-4061; 30 19-4091; 19-4092; 19-4093; 19-4099. 31

32200-N:5 Rulemaking. The university system board of trustees shall adopt rules, pursuant to 33 RSA 541-A, relative to the following:

34

I. Instituting a scholarship application process.

- 35
- II. Establishing academic and other standards by which scholarships shall be awarded.

36 III. Establishing priorities in awarding scholarships where the funds available for 37scholarships are less than the amount needed for eligible applicants.

HB 676-FN-A - AS INTRODUCED

- Page 3 -

1 IV. Establishing procedures for awarding and disbursing scholarships. $\mathbf{2}$ V. Establishing a procedure requiring students participating in this program to work in New 3 Hampshire after graduation in a STEM field for a minimum of 5 years. Such procedure shall clearly 4 set forth the terms of the 5-year commitment and the repayment obligation incurred by the student 5 if the 5-year commitment is not fulfilled. 6 VI. Establishing procedures to track students in the program and to track graduates of the 7program to ensure the conditions of the program are fulfilled. 8 VII. Establishing procedures to recover scholarship funds paid on behalf of participants who 9 do not complete their degree in a STEM field. 10 3 Appropriation. From any funds appropriated in each biennial state budget to the university 11 system of New Hampshire, an amount equal to the in-state tuition rate plus associated academic 12fees at the university of New Hampshire, as certified on July 1 of each year by the legislative budget 13assistant, multiplied by the following number, shall be deposited in the STEM scholars fund 14 established in RSA 200-N:3: 15 July 1, 2015 200 16 July 1, 2016 400 600 17 July 1, 2017 800 18 July 1, 2018 and each year thereafter 19 4 New Subparagraph; Application of Receipts; STEM Scholars Fund. Amend RSA 6:12, I(b) by 20inserting after subparagraph (326) the following new subparagraph: 21(327) Moneys deposited in the STEM scholars fund established in RSA 200-N³. 5 Effective Date. This act shall take effect 60 days after its passage. 22

LBAO 15-0665 01/26/15

HB 676-FN-A - FISCAL NOTE

AN ACT

establishing a science, technology, engineering, and mathematics scholars program.

FISCAL IMPACT:

The University System of New Hampshire states this bill, <u>as introduced</u>, will decrease state revenue, and increase state expenditures by an indeterminable amount in FY 2016 and each fiscal year thereafter. There will be no impact on county and local revenue or expenditures.

METHODOLOGY:

The University System of New Hampshire states this bill establishes a science, technology, engineering, and math (STEM) scholars program and fund to be administered by the System. This bill specifies the program is to be funded through biennial appropriations of an amount determined by multiplying in-state tuition rates plus associated academic fees by 200 in FY 2016, 400 in FY 2017, 600 in FY 2018, and by 800 in FY 2019 and each fiscal year thereafter. This bill also specifies the program is to be administered by the System at no cost to the state and allows for the acceptance of grants, gifts, and donations for additional funding. The program is to provide full tuition and fee scholarships (net of other grant or scholarship aid received) to students pursuing 4 year degrees in STEM fields who agree to work in NH after graduation in a STEM field for a minimum of 5 years. The proposed legislation contains provisions providing for scholarship recipients to be held financially liable for the return of scholarship funds in the event they fail to meet the 5 year work requirement. Based on the funding formula specified in this bill, using FY 2015 tuition and fee rates, while allowing for a 2.3% annual increase in fees; the System estimates the passage of the proposed legislation to impact state expenditures as follows:

	FY 2016		FY 2017		FY 2018		FY 2019	
UNH Academic Fees	\$	2,882	\$.	2,948	\$	3,016	\$	3,085
UNH In State STEM Tuition	· \$	14,635	\$	14,635	\$	14,635	\$	14,635
	\$,	17,517	\$	17,583	\$	17,651	\$	17,720
Funding Multiplier		200		400		600		800
Estimated Appropriation	\$3,	,503,400	\$7	,033,314	\$10),590,658	\$14	,176,373

The System is unable to estimate to what extent the solicitation and acceptance of grants, gifts, and donations to the scholarship fund will have on future state revenues and expenditures. The System states implementation of the proposed legislation will inherently require administrative efforts to establish and implement the policies and procedures necessary to award scholarships as well as to track scholarship recipients to ensure the 5 year work requirement is met. The System will also have to establish and implement policies and procedures to track scholarship recipients post-graduation to ensure the 5 year work requirement is met, and in instances where it is not, to recoup scholarship funds accordingly. In addition to being unable to estimate the costs associated with the establishment and implementation of these policies and procedures, the System notes default rates on student loans approximates 20%. The System estimates a similar default rate on the ability to recoup scholarship costs in the event of a graduate's failure to meet the work requirements of the bill. Speakers

1:00 PM.

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SIGN UP SHEET

To Register Opinion If Not Speaking

Bill # <u>HB 676-FN-A</u> Date <u>February</u> 3, 2015 Committee Education

** Please Print All Information **

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Name	Address	Phone	Representing	Pro	Con
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Hearing Minutes

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HOUSE COMMITTEE ON EDUCATION

PUBLIC HEARING ON HB 676-FN-A

BILL TITLE: establishing a science, technology, engineering, and mathematics scholars program.

DATE: February 3, 2015

LOB ROOM: 207Time Public Hearing Called to Order: 1:00 p.m.

> Time Adjourned: 1:45 p.m.

(please circle if present)

Committee Members: Rep Ladd Balcon, Boehm CordeNi, Grenier, Elliott) Adams Cook Moore Osborny, V. Sullivan, Wolf, Gile, Shaw, Gorman, Frazer, A. Schmide Myles Rolld Heath and Verschueren

Bill Sponsors: Rep. Kurk, Hills 2; Rep. Ladd, Graf 4; Rep. Gile, Merr 27; Rep. Shoaw, Hills 16; Rep. Umberger, Carr 2; Sen. Reagan, Dist 17; Sen. Stiles, Dist 24

TESTIMONY

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

- 1. Rep. Neal Kurk Sponsor
 - Scholarship bill also must remain in state after graduation
 - aging state must encourage grads to remain
 - economy not growing state needs change as we look to the future
 - needs to focus resources on jobs and building resources
 - need STEM workforce this is just a small step
 - funding out of UNH appropriation state specific use of general fund monies for these scholarships
 - concept of bill educate and remain in state
 - UNH can write rules to administer the scholarships
 - error on Line 21 Should read "federal poverty level" not state median income
 - change wording to say "live and work" instead of just work
- 2. Catherine Provencher/Mark Rubinstein USNH
 - *Written testimony
 - fully supports goals
 - have concerns about funding
 - 70% of NH students stay here. 1 out of 5 out of state end up staying here.

Respectfully Submitted, Rep Barbara Shaw Rep. Barbara Shaw, Clerk

HOUSE COMMITTEE ON EDUCATION

PUBLIC HEARING ON HB 676-FN-A

BILL TITLE: establishing a science, technology, engineering, and mathematics scholars program.

DATE: 2-3-2015

207

LOB ROOM:

Time Public Hearing Called to Order: 1.00 PM

Time Adjourned: 1:45 PM

(please circle if present)

Committee Members: Reps Lado Balcom Boehm, Cordell Grenier Elliott Adams, Cook.) Moor Osborne. V. Sullivan, Wolf Gile Shaw Gorman Frazer, A. Schmidt, Myler Rollo Heath and Verschueren.

<u>Bill Sponsors</u>: Rep. Kurk, Hills 2; Rep. Ladd, Graf 4; Rep. Gile, Merr 27; Rep. Shoaw, Hills 16; Rep. Umberger, Carr 2; Sen. Reagan, Dist 17; Sen. Stiles, Dist 24

TESTIMONY

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

i) Rep. Meal Kurk - sponsor . Scholarship bill - also must remain in state after · aging state - must encourage grads & remain. economy not growing - state needs change as we look & the future . needs & focus resources on yoks and building · need STEM workforce - this is just a small step · funding at of UNH appropriation - state specific use of general fund monies for these scholarships concept of bill - educate and remain in UNA can write rules & administer the scholarships error on line 21 - Should read "Federal poverty

In change wording to say "live and work" instead * Written testimony fully support goalse have concerns about Junding · 70% of NN residents stay here . I ont of 5 out of state and up staying here

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Respectfully submitted, Rep Barbara Shaw Clerk

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Testimony

New Hampshire House of Representatives Education Committee

February 3, 2015

HB 676

Mark Rubinstein, Vice President for Student and Academic Services University of New Hampshire

Chairman Ladd and members of the committee, thank you for the opportunity to speak with you this afternoon about HB 676. My name is Mark Rubinstein and I serve as the Vice President for Student and Academic Services at the University of New Hampshire. Among other duties, my areas of responsibility include the university's admissions, financial aid and career service offices. We appreciate Rep. Kurk's and the other sponsors' interest in creating a new scholarship program for students interested in STEM fields. We know the state's economy needs additional talent with both associates and bachelor's degrees for STEM related jobs and we take our role in making sure our future workforce can meet those needs very seriously.

As the state's public flagship research university, and the largest institution within the university system, we currently produce the majority of STEM graduates each year in New Hampshire. President Huddleston and UNH takes its responsibility seriously and works hard to be responsive to the economy's needs. Each of our colleges has advisory boards comprised business leaders who help ensure that we are closely aligned to the needs of companies. In 2001, the State of New Hampshire joined the University System of New Hampshire to introduce KEEP---the Knowledge Economy Education Plan---with the State investing in capital renovation projects to support increased capacity in STEM education across the University System. At UNH, we had anticipated that the additional capacity and improved facilities could support growth of approximately 40% enrollment in our Colleges of Life Sciences & Agriculture and Engineering & Physical Sciences. To this point, those investments have allowed us to grow annual enrollment in those two Colleges by more than 50% and 90%, respectively. Almost three years ago, the leadership of the University System of New Hampshire, along with the leadership of the Community College System of New Hampshire, signed an MOU with then Governor Lynch, committing to doubling the number of STEM graduates by 2025, reflecting our commitment to build on the progress we had already made in support of the needs of the citizens of New Hampshire and the State's economic future. Students continue to respond to our efforts, so at this point, once again, our challenge is one related to capacity rather than to attracting students into these programs. This also true for our other STEM programs in Manchester and in our Colleges of Health & Human Services and Liberal Arts.

Last week, Governor Hassan declared 2015 "A Year of STEM" in New Hampshire. The STEM Task Force appointed by the Governor recently submitted its final report. There are three broad recommendations: Strengthening STEM Foundations, Inspiring Students and Empowering Teachers. Additionally, the report calls for engaging and mentoring girls for STEM Careers. Already, the University of New Hampshire is engaged in supporting these initiatives. Examples of our current efforts to address the shortage of STEM workers include:

- The STEM Discovery Lab that we have built at our Manchester campus, which is . 🔳 quickly becoming a state hub for K-12 teacher education in STEM. It is a challenging, hands-on learning community where K-12 students and their teachers participate in truly engaging applications of STEM learning. We know that it is critical to engage elementary and middle school students and teachers now to grow the pipeline of students who want to come to UNH and major in a STEM field.
 - The creation of a merit-based scholarship program—drawing upon funds from the partial restoration of USNH funding—to support CCSNH transfer students who complete Associate's Degrees so that they can continue completion of baccalaureate degrees at UNH's Durham and Manchester campuses.
- Summer Programs for pre-college students including Project SMART. For over twenty five years we have been running Project SMART which attracts talented high school students to Durham for in-depth study in STEM fields with some of our best faculty. We also run engineering camps—including Techsplorers and Techventures for younger students and Engineeristas—just for girls in middle school—because we know there is a significant gender gap in STEM fields and jobs. The demand exists for these programs among our young people, but again, our challenge is one of creating capacity to respond to that interest.

UNH does appreciate the Legislature's interest in expanding the STEM pipeline, but we do have some concerns over HB 676. One of our biggest concerns is how the scholarship program is to be funded. As the Committee is undoubtedly aware, New Hampshire holds the distinction of providing the lowest level of state funding for public higher education, per capita, among the fifty states. Consequently, public higher education is more expensive than in all but a couple of states and students in New Hampshire have far less financial support from this state than is true for students in virtually any other state in the nation. This has the predictable effect of dissuading interest among students from many families for whom cost is the largest barrier to higher education, but perhaps ironically, it also appears to alienate students from families with sufficient means to attend UNH, driving a disproportionate share of these students out of state and making their return to New Hampshire after college less certain.

Without incremental aid—beyond continued restoration of the State appropriation to 2009 levels—to fund this new scholarship program, our ability to hold down tuition costs for all students and to ensure access to high quality programs will be comprised, thus UNH testimony HB 676 2

jeopardizing our ability to continue to build enrollment in all of the areas that the State will need for the future. It is our recommendation that if the legislature wants to offer a new scholarship program targeted at STEM, it should provide the resources necessary to do so, but as an increment that follows restoration of the State appropriation to USNH.

A second concern is the administrative costs that will be needed to effectively administer this new scholarship program as outlined in the bill. While not captured in the fiscal note attached to this bill, the administrative costs will be significant for USNH and each institution to properly track where each scholarship recipient goes and to continue to track their employment in New Hampshire for five years. This bill places USNH and CCSNH in the position of becoming a collection agency for these scholarships if they convert to loans. We currently don't have the systems or staff in place to administer this and the expenses to get that up and running will inevitably drive up the costs overall to our students.

In addition to our concerns, we also have a number of questions that we believe need to be considered by your committee:

- The bill focuses on a number of defined STEM fields and majors. Yet, we know that many of our graduates who did not major in one of these STEM fields end up working in a STEM related job. If the goal is to grow the number of graduates who are preparing to work in STEM related jobs, we think this bill might miss the mark. We have many examples of liberal arts students working at our Interoperability Lab, developing their IT skills and then getting hired by IT related companies.
- What would happen to a student who satisfies the income criterion in the senior year of high school, but subsequently exceeds that threshold in one or more of the four years of college? Will that student lose eligibility for the program? Will that student's post-graduation employment requirement be "pro-rated?"
- If a student begins work after graduation with a New Hampshire-based STEM employer, but that employer then transfers the graduate/employee to another state, will they be in default of their obligations? Or if that employer relocates the entire enterprise or closes down completely?
- What about another economic downturn that produces widespread unemployment and underemployment that affects these recipients?
- What if a scholarship recipient graduates and cannot find a job in New Hampshire?

Under any of these circumstances, have they violated their contract with "us" and will we begin to pursue them in "collections?" And what are the direct costs of administering this program as well as the indirect—but equally real—costs of alienating our alumni by chasing them for these funds under any of the conditions that are beyond their control?

While we don't know the mechanics that drive this phenomenon, we do know that there is a significant attrition between STEM majors and STEM employment. Last July, "the US Census Bureau reported...that 74 percent of those who have a bachelor's degree in science, technology, engineering and math — commonly referred to as STEM — are not employed

UNH testimony HB 676

in STEM occupations." According to Liana Christin Landivar, a sociologist in the Census Bureau's Industry and Occupation Statistics Branch, 'STEM graduates have relatively low unemployment, however these graduates are not necessarily employed in STEM occupations." Those statistics were drawn from the 2012 American Community Survey and among the findings were that "engineering and computer, math and statistics majors had the largest share of graduates going into a STEM field with about half employed in a STEM occupation. Science majors had fewer of their graduates employed in STEM. About 26 percent of physical science majors; 15 percent of biological, environmental and agricultural sciences majors; 10 percent of psychology majors; and 7 percent of social science majors were employed in STEM." <u>http://www.census.gov/newsroom/pressreleases/2014/cb14-130.html</u>

This phenomenon—much larger than UNH or the State of New Hampshire—causes us to be concerned that this particular strategy of seeking to pull students into the STEM pipeline and the New Hampshire employment pipeline as early as their senior year in high schoolrepresents too much uncertainty to effectively and efficiently deliver the STEM graduates to New Hampshire's economy in STEM occupations. Even with UNH's track record of retaining students in STEM majors from first year to graduation—far above the national benchmark for this outcome—it seems likely that many of the participants in a program like the one being proposed are destined to find employment that will not satisfy the requirements or the intentions of this program. Separate from the administrative complexity and cost of UNH and other institutions trying to manage the tracking and collections components of this program, the related concern is that this will not produce the intended benefits for the State's economy. While the funds eventually might be recaptured through effective collection efforts, the time lost—up to four years of an undergraduate degree—can't be regained in the context of the State's competition with other regional, national and international peers who are all seeking to gain advantage in the race to gain advantage in STEM job creation.

We can envision how a modified version of this proposed legislation could become an integral part of that effort and we would be happy to work with the sponsor and members of this committee on an amended bill that captures what we believe to be the sponsor's intent while addressing our concerns, but as the bill is currently written, we cannot support it and encourage you to vote against it. We look forward to continuing our partnership with the New Hampshire business community and elected officials to provide a well-trained workforce to meet the demands of New Hampshire's economy.

Respectfully submitted.

HB 676 - Establishing a science, technology, engineering, and mathematics scholars program Written Testimony of Catherine Provencher, USNH Vice Chancellor for Financial Affairs House Education Committee Hearing February 3, 2015

The University System fully supports the goals of House Bill 676 to grow and retain the number of STEM graduates in NH. We recognize our role as the State's public 4-year system of higher education and understand our responsibility and mandate to bring educational resources and professional experience to the benefit of the State and its people. Accordingly, we are actively engaged and do meet this responsibility. We are proud of our continuing partnership with the New Hampshire business community and are working hand in hand to meet future workforce needs. The University System is New Hampshire's primary supplier of bachelor's degrees in STEM, awarding 61% of the State's four-year STEM degrees in 2013. Working with the Community Colleges, we are on track to double the number of STEM graduates from our collective institutions by 2025. The University System is well on its way to reaching this goal, graduating 1,836 STEM in 2014, up from 1,264 in 2005 for a 45% increase. While clear progress has been made, the work is not done. Accordingly we are making the investments needed to build capacity and new programs, to serve our State's need.

While we increase the number of STEM graduates, it is obviously important that those graduates stay and work in NH. Admittedly, USNH does not retain the personal information necessary to track recent graduates in order to know where they live and work. Self-reported alumni surveys are, of course, not scientific and may not be representative of the entire population. Recognizing this as a weakness, we are working toward better engagement with alum to understand where they choose to live and work after graduation. We have also met with the NH Department of Employment Security to determine whether employment data may be accessible, although this also presents challenges with regard to usefulness of information. It should be noted that USNH will be required under this bill to maintain detailed personal information about the recipients of the proposed scholarships in order to ensure each is working in NH for five years following graduation.

The University System is working with businesses and is keenly aware of the challenges our State faces into the future with demographics and workforce needs. For example,

HB 676 - Establishing a science, technology, engineering, and mathematics scholars program Written Testimony of Catherine Provencher, USNH Vice Chancellor for Financial Affairs House Education Committee Hearing February 3, 2015

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Chancellor Todd Leach is a member of the Board of the NH Business and Industry Association, UNH Professor of Chemical Engineering and Senior Vice Provost Vasudevan sat on the Governor's Task Force on K-12 STEM Education, and I serve on the Board of the Business Finance Authority.

As previously stated, USNH fully supports the goals of the bill but we have concerns with some of its requirements. The bill provides scholarships at the in-state tuition level to both resident and non-resident students who agree to stay and work in NH for five years. Funding for the scholarship program would come "from any funds appropriated in each biennial state budget to the university system." Using the funding formula identified in the bill at the FY 2015 tuition and fee rates, we estimate that the cost could be over \$10 million in the next biennium. Understanding the estimate is not reduced for other financial aid available to these students, the calculation also does not take into account the additional tuition that would have been received from nonresidents receiving the new STEM scholarships. The state operating appropriation received by USNH subsidizes the difference between resident and nonresident tuition, however, the current appropriation does not fully fund the difference, requiring nonresident students to subsidize resident students. Today's competitive higher education marketplace no longer supports a finance model that places a disproportionate level of burden on nonresident students. If State funding to the USNH in the next biennium is similar to the funding in this biennium, the resident students will effectively fund this STEM scholarship program through tuition. With 14,000 full-time equivalent resident students, it breaks down to about \$250 per student in fiscal year 2016 and \$500 per student in fiscal year 2017.

In addition, the administration effort needed for this scholarship program should not be underestimated. We have not estimated a cost associated with administration but it could be substantial. The bill will require monitoring compliance of potentially 2,000 to 3,000 individual scholarship recipients over 9 years rolling (4-year academic and 5-year workforce).

We also believe including specific federal Standard Occupational Classification codes in the bill is problematic. The occupations identified in the bill do not all align with NH occupational demand as projected by the NH Economic and Labor Market Information Bureau

HB 676 - Establishing a science, technology, engineering, and mathematics scholars program Written Testimony of Catherine Provencher, USNH Vice Chancellor for Financial Affairs House Education Committee Hearing February 3, 2015

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(ELMIB, NH Department of Employment Security). Thirty-two of the 82 codes identified in the bill have an employment outlook rating by the ELMIB of "not favorable" or "least favorable." Additionally, 13 are occupations requiring less than or more than a bachelor's degree. Lastly, as work force needs change, codification in state law of certain occupation codes may undermine the ultimate goal of the bill.

The language requiring applicants to maintain a 2.0 grade point average should also be revisited. We expect the intent is to require a minimum 2.0 grade point average; however, we also question whether a 2.0 grade point average signifies an appropriate level of effort for students effectively receiving free tuition.

The effective implementation date of the program should be clear in the bill. If it becomes law later in 2015, it will likely be too late in the financial aid packaging process to award scholarships for the 2015-2016 academic year.

We have also identified other smaller technical language questions with the bill. Our concerns expressed about this legislation by no means diminish our commitment to our ongoing work with the NH business community and elected leaders to advance our focus on developing additional STEM students to meet New Hampshire's workforce needs. We are on task and USNH is committed to furthering the goals supported by this bill. Notwithstanding the concerns we have with the bill as written, we look forward to working with Representative Kurk and other sponsors to achieve those goals.

Voting Sheets

HOUSE COMMITTEE ON EDUCATION

EXECUTIVE SESSION on HB 676-FN-A

BILL TITLE: establishing a science, technology, engineering, and mathematics scholars program.

DATE: February 10, 2015

LOB ROOM: 207

Amendments:

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

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

Moved by Rep. Ralph Boehm

Seconded by Rep. Glenn Cordelli

Vote: 19-0 (Please attach record of roll call vote.)

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

Moved by Rep.

Seconded by Rep.

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

CONSENT CALENDAR VOTE: 19-0

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

Statement of Intent:

Refer to Committee Report

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

HOUSE COMMITTEE ON EDUCATION

EXECUTIVE SESSION on HB 676-FN-A

BILL TITLE: establishing a science, technology, engineering, and mathematics scholars program.

Tues, 2/10/15

LOB ROOM: 207

<u>Amendments</u>:

DATE:

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

Motions: OTP, OTP/A, ITL) Retained (Please circle one.) Moved by Rep. Boehn to ITC Seconded by Rep. Cordellar,

Vote: 19-1 (Please attach record of roll call vote.)

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

Moved by Rep.

Seconded by Rep.

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

CONSENT CALENDÁR VOTE:

(Vote to place on Consent Calendar must be unanimous.) 19-0

Statement of Intent:

Refer to Committee Report

Respectfully submitted. Rep Barbara Shaw, Clerk

SOFT AND THE	STATE OF NEW HA OFFICE OF THE HO 2015 SESSION	USE CLERK Ro Re	4/2015 8:16:37 AM Il Call Committee Registers port
EDUCATION	Jablishin Engineeri	ng a scie	nce, technology,
PH Date: 02/03/2015	program.		2110115
Motion: TBETL		Amendment #:	
		/	
MEMBER		<u>YEAS</u>	NAYS
Ladd, Rick M., Chairman			
Balcom, John L, V Chairman		~	
Boehm, Ralph G.		V	
Cordelli, Glenn			
Grenier, James L			
Elliott, Robert J.		T.	
Adams, Christopher R.		V.	
Cook; Allen W.		V.	
Moore, Josh		-1.	
Osborne, Jason M.		1.	
Sullivan, Victoria L.			
Wolf, Terry M.			
Gile, Mary Stuart			
Shaw, Barbara E., Clerk	. 0		
Gorman, Mary J.		1 Vin	
Frazer, June M.		↓ ↓ ↓	•
Schmidt, Andrew R.			
Myler, Mel		_1	
Rollo, Deanna S.			
Heath, Mary			
Verschueren, James			
TOTAL VOTE:		19	

Committee Report

CONSENT CALENDAR

February 18, 2015

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Committee on <u>EDUCATION</u> to which was referred HB676-FN-A,

AN ACT establishing a science, technology, engineering, and mathematics scholars program. Having considered the same, report the same with the following Resolution: RESOLVED, That it is INEXPEDIENT TO LEGISLATE.

Rep. Ralph G. Boehm

FOR THE COMMITTEE

Original: House Clerk Cc: Committee Bill File

COMMITTEE_REPORT

Committee:	EDUCATION
Bill Number:	HB676-FN-A
Title:	establishing a science, technology, engineering, and mathematics scholars program.
Date:	February 12, 2015
Consent Calendar:	YES
Recommendation:	INEXPEDIENT TO LEGISLATE

STATEMENT OF INTENT

This bill assumes that there will be STEM jobs available in the state for scholarship graduates. With the high level of business taxes and energy costs in our state, businesses may opt to locate in other states with less taxes and costs. In addition, the proposed bill does not include scholarship availability in the New Hampshire Community College System where career emphasis is placed on advanced manufacturing and technology.

Vote 19-0.

Rep. Ralph G. Boehm FOR THE COMMITTEE

Original: House Clerk Cc: Committee Bill File

CONSENT CALENDAR

EDUCATION

HB676-FN-A, establishing a science, technology, engineering, and mathematics scholars program. INEXPEDIENT TO LEGISLATE.

Rep. Ralph G. Boehm for EDUCATION. This bill assumes that there will be STEM jobs available in the state for scholarship graduates. With the high level of business taxes and energy costs in our state, businesses may opt to locate in other states with less taxes and costs. In addition, the proposed bill does not include scholarship availability in the New Hampshire Community College System where career emphasis is placed on advanced manufacturing and technology. Vote 19-0.

Original: House Clerk Cc: Committee Bill File HB 676-FN-A establishing a science, technology, engineering, and mathematics scholars program.

This bill assumes that there will be STEM jobs available in the state for scholarship graduates. With the high level of business taxes and energy costs in our state, businesses may opt to locate in other states with less taxes and costs. In addition, the proposed bill does not include scholarship availability in the New Hampshire Community College System where career emphasis is placed on advanced manufacturing and technology.

Rep. Ralph Boehm For the Committee 19-0 ITL CC

M. Cash

HB 676-FN-A establishing a science, technology, engineering, and mathematics scholars program.

This bill establishes a program for STEM scholarships. Graduates that stay and work in New Hampshire will only be required to pay back 20% of their loan. This bill assumes that there will be STEM jobs available. With the high business taxes and energy costs, businesses to not come to New Hampshire. This bill these rederal codes for the schelarships must may not be enough. Also, the bill does Community College System is left-out.

Rep. Ralph Boehm For the Committee 19-0 – ITL - CC

Alla Cada

This bill assumes that there will be STERN jobs available in the state for scholarship graduates, with the high level of business taxes and energy costs in our state, businesses ning oft to locate in other states and these takes and In addition, the proposed bill does not include scholarship availability in the N.H. Community College System whose career an empluesis is pluced on high advanced munu facturing and technology

•	COMMITTEE REPORT
COMMITT	EE: Education
BILL NUM	BER: HB676-FNA
FITLE:	BER: H13676-FNA Establishing a science, technology, Engineering, and mathematics
·	scholars program.
DATE:	Jervo, 2015 CONSENT CALENDAR: YESX NO
	OUGHT TO PASS
•	OUGHT TO PASS W/ AMENDMENT Amendment No.
• •	INEXPEDIENT TO LEGISLATE
	INTERIM STUDY (Available only 2 nd year of biennium)
STATEME	NT OF INTENT:
	LILL RSTABLISHIS A PROJRAM FOR STEM
	ARSLIPS GRAJUATES THAT STAY AND
WORK	iN N.H. WILL ONLY be REquired TO PAY
	20% OF Their LOAN, This bill ASSUMOS
-	The RE WILL BE STEM JOBS AUDILABLE.
WIT	The high BUS Wass TAYES AND ENERGY
COSTS	Business do NOT COME TO N.H. This
bill	dists FedeRAL codes FOR The Scholarships
AND M	AY NOT be ENough. ALSO The COMMUNITY
Polley 2	System is LEFT OUT.
, 	
COMMITT	EE VOTE: $19-0$
	RESPECTFULLY SUBMITTED,
Copy to CoUse Anoth	er Report for Minority Report Rep. Rep. Rep. Rep.
Rev. 02/01/07 - Y	RAUPH G. BOEHM