

## Senate Education Committee

*Kat Bourque 271-3091*

**SB 228-FN-A**, establishing the New Hampshire college graduate retention incentive partnership (NH GRIP).

**Hearing Date:** February 14, 2017

**Time Opened:** 9:29 a.m.

**Time Closed:** 10:03 a.m.

**Members of the Committee Present:** Senators Reagan, Ward, Watters and Kahn

**Members of the Committee Absent :** Senator Giuda

**Bill Analysis :** This bill establishes the New Hampshire college graduate retention incentive partnership (NH GRIP) which provides financial incentives to college graduates who are hired by participating employers and makes an appropriation to the department for that purpose.

**Sponsors :**

Sen. Kahn

Sen. Feltes

Sen. Fuller Clark

Sen. Hennessey

Sen. Lasky

Sen. Soucy

Sen. Watters

Sen. Woodburn

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**Who supports the bill:** Senator Kahn, Car Ladd (NHSAA), Senator Lasky, Senator Fuller Clark, Christopher Way (DRED), Tom Horgan (NH College and University Council)

**Who opposes the bill:** No one

**Who is neutral on the bill:** No one

**Summary of testimony presented in support :**

*Senator Kahn*

*Prime Sponsor*

- Senator Giuda distributed a written summary of this legislation so that each senator has facts that enumerate what the act does and why it is advantageous.
- If New Hampshire colleges graduate a student who is from a New Hampshire high school, that graduate is likely to remain in the state  $\frac{3}{4}$  of the time.
- The majority of NH college students graduated from out-of-state high schools currently only 10-15% remain in the state.
- 41 states offer incentives for college graduates to remain in-state mostly because they can offer income tax breaks for loan repayment that mirror federal tax returns. New Hampshire, with no income tax and lacking state funded retention incentives, doesn't even show up on the map. Senator Kahn provided a chart with this

information.

- NH colleges and universities have the highest or second highest price in the nation.
- NH college graduates have the highest debt at graduation of any state in the nation.
- Graduates from in-state colleges once employed in-state have a higher retention rate.
- The goal is to retain more students in New Hampshire after graduation.
- NH GRIP (Graduate Retentive Incentive Partnership) is a unique NH collaboration to plug the lack of state retention incentives.
- This will help to turn the NH government into a partner with employers in workforce recruiting.
- This would create a NH advantage that distinguishes itself from other states.
- The way to provide this program is to produce a simple opt-in statement for NH employers to agree to pay recent NH college graduates a \$1,000 incentive at the end of each year of employment for four years. This incentive can be a bonus or a direct payment to a lender.
- DRED, New Hampshire College and University Council and the BIA would collaborate on designing an agreement.
- DRED advertises on its website all employers participating in NH GRIP.
- NH GRIP is an on-switch to help high school juniors include NH colleges and NH employers in their school to career planning and transitions.
- Senator Reagan asked what problem this bill would solve. Senator Kahn explained that this will help to retain college students in the state, which are badly needed.
- Senator Ward asked how this bill would not cost the state money, since an individual would have to run the program, websites, and the like. Senator Kahn explained that DRED stated that there may be some staffing issues. The cost would be initially \$30,000 in FY '18 to set this up. Senator Kahn believes that if we are able to retain these individuals, the return to the state on being able to grow a workforce would be significant.
- Senator Reagan noted that Fidelity gives a \$2,000 incentive per year. He asked how this program is doing. Senator Kahn explained that Fidelity is currently paying 1,000 employees this incentive. Senator Reagan asked why other companies are not taking part in this program. Senator Kahn explained that the state becoming a partner in this incentive program would help. He added that other companies may join in based on being competitive.
- Senator Ward stated that, for example, there are companies that will hire new graduates and if they stay on, pay debt and further education. Senator Ward asked if this already occurs, why the state needs to get involved. Senator Kahn stated that when college juniors begin their job search, there could be a single website in the state where an advisement office could send a student to in order to discover all businesses offering retention incentives. Senator Ward stated they she believes that many college students can find these incentives without them being on a one-stop website.
- Senator Watters asked if the State of New Hampshire could participate in such an

incentive program. Senator Kahn stated that he believes that it could.

- Senator Watters asked to confirm that this program would be entirely voluntary. Senator Kahn stated that this was correct.

*Christopher Way*

*DRED*

- DRED is in support of this legislation and is appreciative of Senator Kahn for bringing this forward.
- Town attraction and retention is one of the Department's top efforts.
- DRED would be administering this program.
- Mr. Way explained that not all employers take part in this program because it may be a monetary issue.
- Mr. Way stressed the importance of attracting and retaining students in the state.
- Making a website that is not as passive and is in one centralized location could make a difference.
- Senator Reagan explained that he has been in discussions with DOE and Employment Security to create a website particularly aimed at students. He asked if this incentive program could be added to that list. Mr. Way stated that it could be.
- Mr. Way explained that the media portion of the fiscal note is an estimate of what it would cost to maintain the website, conduct outreach and the like.

*Daniel Henderson*

*Keene State College*

- Mr. Henderson explained that his role at Keene State is to bring academia and business together to improve the economy of the state.
- Mr. Henderson stated that he speaks to businesses frequently about how they have much better retention of employees who are from the state than from those outside of the state.
- He added that students may feel differently and some feel that they need to leave the state to get a good job that pays well.
- This incentive program would be an advantage in attracting students to the state.
- Senator Reagan asked if we could impart the same information through channels that already exist. Mr. Henderson explained that having the state involved in this helps to send an important message.

*Tom Horgan*

*President of New Hampshire College and University Council*

- The NH College and University Council believes that this bill would provide an opportunity for colleges to point to businesses that are directly interested in employing students in the state.
- Dr. Horgan stated that there are likely websites that this could be added to already at a low cost.

- Dr. Horgan stated, however, that a centralized location online would be helpful.
- This legislation would also help to encourage other businesses to compete in the marketplace.

**Summary of testimony presented in opposition :** N/A

**Neutral Information Presented:** N/A

**Future Action:** Pending

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Date Hearing Report completed: February 14, 2017