

# Senate Commerce Committee

*Angela Leach 271-3077*

**SB 41-FN-A**, establishing a fund to forgive certain educational debt and making an appropriation therefor.

**Hearing Date:** February 14, 2017

**Members of the Committee Present:** Senators Innis, French, Sanborn, Soucy and Lasky

**Members of the Committee Absent :** None

**Bill Analysis:** This bill establishes a skilled technology worker recruiting fund in the office of the state treasurer to provide awards to students pursuing technology education at any postsecondary educational institution in the state.

This bill makes an appropriation for the purpose of the bill.

**Sponsors:**

Sen. Innis  
Rep. Abrami

Sen. D'Allesandro

Sen. Watters

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**Who supports the bill:** Sponsors, Mike Skelton- Manchester Chamber of Commerce; Ellen Scarponi-Fairpoint/NHHTC; Michelline Dufort- NH Higher Tech Council; Bethany Marceau- Emerson Ecologies; Liz Alcaulkes; Shelby Resselman; Jill Paul; Representative Latha Mangipudi; Kathy Staub; Anthony Procite; Nicole Casey- ARC

**Who opposes the bill:** None

**Summary of testimony presented:**

**Senator Sanborn** stated that he may or may not have a conflict with this bill but will be participating.

**Senator Innis-** The bill provides a way to recruit tech workers to our state which is necessary due to an ongoing shortage. It would establish a fund to reimburse education debt for high tech workers in New Hampshire. Each participant would be eligible to receive up to \$5000 in student debt reimbursements. STEM students from both in-state and out of state schools are eligible. The bill would bring down student debt loans while helping business in NH prosper and while keeping young people in our state. The bill requests \$2million for the fund over the next 2 fiscal years.

**Senator Lasky-** Is there a definition of skilled tech?

**Senator Innis-** Not yet, but I agree there should be. The basic concept is that these reimbursements are for those going into STEM positions.

**Senator Lasky-** Still, a definition is warranted.

**Senator Sanborn-** How would the bill work, mechanically?

**Senator Innis-** The intention is that the bill would be used as a recruiting tool. I'm not sure if we want to break down exactly how the reimbursement would work yet in terms of how much, when, etc.

**Senator Sanborn-** What if someone has no educational debt? We shouldn't discriminate against them.

**Senator Innis-** It doesn't really apply to those graduates. It's more of an incentive for tech workers who have student debt. This bill recognizes that NH has the highest average student debt and the highest in-state tuitions.

**Senator Sanborn-** I don't see how the bill will first reward NH graduates and colleges before those

coming from out of state.

**Senator Innis-** The purpose behind the openness of the bill is that we often have a lack of STEM graduates in NH. This design allows us to pull tech workers from different states.

**Senator Sanborn.** I would struggle to reward only the students who have a STEM background.

**Senator Innis-** The needs of NH employers calls for STEM graduates. NH has an ample supply of graduates with a background in liberal arts, business, etc.

**Senator Lasky-** The bill doesn't say the students have to have graduated.

**Senator Innis-** Dually noted.

**Senator Lasky-** This, among other things, you may want to tighten up in the language of the bill.

**Senator French-** Is the bill meant for new hires?

**Senator Innis-** Yes.

**Senator Sanborn-** In terms of who is eligible to receive reimbursements, it would be more important that they have student debt, rather than that they have graduated. Do you agree?

**Senator Innis-** One could argue that a student could start a job early before graduating and continue on with it without ever actually graduating. I still believe graduating at one point or another is important and this bill would provide an incentive to do so.

**Ellen Scarponi, FairPoint Communications of NHHTC and Chair of Legislative Affairs**

**Committee of NHHTC-** NH has a shortage of skilled workers in many fields, but with this bill, we are specifically looking at tech positions. This doesn't exclusively apply to tech companies, but also to companies of any nature who have tech-related positions to fill. Detailed qualifications for applicants will be developed with New Hampshire Higher Education Foundation. Many organizations are looking for solutions to this problem, but most proposed solutions thus far have been long-term solutions. We need a more immediate solution. There are 2000-3000 open high tech jobs per month in NH and most of them are high paying. NH has a low unemployment rate, requiring us to look out of state for workers. Applicants need to be experienced, and they should be at an age when they're looking to settle down and live somewhere, but still have student debt. There will be a significant return on investment for the state. The student debt reimbursements would be distributed in two parts: \$2500 upon hire and \$2500 upon the three-year anniversary with the company. The expenditures and returns of the program should break even in year 7 of bill. This is more or less a sister bill to SB 183 (Ways and Means) which proposed a marketing recruitment fund to attract tech workers to NH jobs. We haven't talked about whether applicants need to have graduated, just as long as they have student debt.

**Senator Lasky-** Could this bill be a tool to keep people in school to graduate?

**Ellen Scarponi-** We knew we couldn't solve every problem with this bill. Our audience for SB 41 is tech workers with student debt, and because of NH's low unemployment rate, we aren't focusing only on graduates, NH students, or NH colleges. We're looking for workers who are willing to come to NH to fill job openings.

**Senator Lasky-** Up to what point would the bill work?

**Ellen Scarponi-** The bill lays out the number of employees to be added each year, but the cumulative number of employees will rise overtime. It should be an 8 year program.

**Senator French-** Are there really 2-3 thousand job openings a month? So 24,000 jobs need to be filled a year, and to fill them all would require \$120 million a year?

**Ellen Scarponi-** Only \$2 million is to be appropriated for each fiscal year. Distribution of these reimbursements is based on first come first serve eligibility.

**Michelline Dufort, NHHTC-** My job involves constantly working with the members of the NHHTC. A lack of a qualified workforce is definitely the consistent number one issue for members. A lot of tech workers are being lured out of NH, and we believe this bill would alleviate that. Specifically, we are looking for seasoned tech workers with 4-6 years of experience who will stay in NH throughout their careers. There will be very detailed written criteria for eligible applicants. In the interest of helping NH college graduates, we will go to alumni offices in the state and work with them to recruit workers back to NH.

**Bethany Marceau, Emerson Ecologics-** Emerson Ecologics is a Manchester-based naturopathic organization which operates on a national basis. We will be doubling the size of our tech team from 30 employees to 70 in 2017. Hiring qualified tech professionals is a major issue for us. The market is really competitive, as we are competing with fun and attractive companies in Boston. Our open positions range in salary, some being very high, so we are looking for very skilled tech professionals. There are over 45,000 tech jobs in NH and many go unfilled. For example, we had a very hard to fill software

development position last year that took around 7 months to fill. The average time it takes to fill these positions is 50 days. This bill would be a serious incentive that could enable us to attract and retain tech workers.

**Senator French-** Why would such high-paid workers be incentivized by a measly \$5000?

**Michelline Dufort-** That would depend on the worker's personal financial situation. Different factors will influence the impact that a \$5000 student debt reimbursement could have on individual, even if they're already earning a good salary. For many workers, these reimbursements could be a determining factor that makes them choose NH over Massachusetts.

**Representative Latha Mangipudi-** This bill deals with a very critical issue in Nashua. It has been a problem for a few years now that tech jobs are going unfilled, bringing slow economic growth. High tech jobs need to be filled in the fields of health care and mental health. Because these positions are going unfilled it is negatively impacting the ability of health care professionals to help patients. This bill, however, does not address that. There needs to be more of an incentive for tech workers to move back to NH.

**Future Action:** Pending

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