

HB 603-FN-A - AS INTRODUCED

2017 SESSION

17-0147

04/05

HOUSE BILL

603-FN-A

AN ACT establishing the John and Molly Stark student debt reduction program and making an appropriation therefor.

SPONSORS: Rep. Burton, Straf. 6; Rep. Myler, Merr. 10; Rep. Porter, Hills. 1; Sen. Watters, Dist 4; Sen. Fuller Clark, Dist 21

COMMITTEE: Education

ANALYSIS

This bill establishes the John and Molly Stark student debt reduction program.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears ~~[in brackets and struck through]~~
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Seventeen

AN ACT establishing the John and Molly Stark student debt reduction program and making an appropriation therefor.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Higher Education Commission. Amend RSA 21-N:8-a, II(e)(10) to read as follows:

2 (10) ***Administer all aspects of the John and Molly Stark student debt***
3 ***reduction program established in RSA 21-N:8-c.***

4 (11) Assume other responsibilities as may be provided in state or federal law.

5 2 New Section; John and Molly Stark Student Debt Reduction Program. Amend RSA 21-N by
6 inserting after section 8-b the following new section:

7 21-N:8-c John and Molly Stark Student Debt Reduction Program Established.

8 I. There is hereby established the John and Molly Stark student debt reduction program
9 which shall be administered by the higher education commission. The purpose of this program is to
10 provide public postsecondary education opportunities to every graduate of any public or private
11 secondary school authorized to operate in New Hampshire, which shall include chartered public
12 schools, home educated students, and students who have received a high school equivalency
13 certificate, by providing a grant equivalent to 50 percent of the total of Perkins loans and direct
14 subsidized and unsubsidized federal loans for which a student is eligible each year for a maximum
15 of 4 years to any student who is a resident of this state, who is pursuing a degree at any institution
16 in the university system of New Hampshire, and who agrees to reside and work in this state for a
17 minimum of 4 years after graduation. A student who pursues studies in science, technology,
18 engineering, or mathematics and who complies with the requirements of this section shall, in
19 addition to the grant, receive \$500 per year for a maximum of 4 years. All funds received pursuant
20 to this section shall be nonlapsing and continually appropriated to the higher education commission
21 for the purposes of this program.

22 II. A student who is interested in pursuing a degree at any institution in university system
23 of New Hampshire shall be eligible to apply for the program. An eligible student shall submit an
24 application and affidavit to the higher education commission, on a form developed by the
25 commission.

26 III. Applicants who are selected to participate in this program shall maintain satisfactory
27 academic progress as defined by the institution, and meet such other criteria as may be established
28 by the commission. Applicants selected shall receive a grant equivalent to 50 percent of the total of
29 Perkins loans and direct subsidized and unsubsidized federal loans for which a student is eligible
30 each year for a maximum of 4 years. A student who pursues studies in science, technology,

1 engineering, or mathematics and who complies with the requirements of this section shall, in
2 addition to the grant, receive \$500 per year for a maximum of 4 years. A scholarship applicant shall
3 be required to submit an affidavit to the institution to which he or she is applying affirming that he
4 or she agrees to reside and work in the state of New Hampshire for a minimum of 4 years after
5 graduation.

6 IV. All funds in the John and Molly Stark student debt reduction fund established in this
7 section shall be used annually to provide grants under this program.

8 V. There is hereby established in the office of the state treasurer a fund to be known as the
9 John and Molly Stark student debt reduction fund. The fund shall include any sums appropriated
10 for such purpose. In addition, the higher education commission may accept public sector and
11 private sector grants, gifts, or donations of any kind for the purpose of funding the provisions of this
12 section. The moneys in this fund shall be nonlapsing and shall be continually appropriated to the
13 higher education commission. The fund shall be expended by the higher education commission to
14 award grants to selected students in accordance with this section. The state treasurer may invest
15 moneys in the fund as provided by law, with interest received on such investment credited to the
16 fund.

17 VI. The higher education commission shall adopt rules, pursuant to RSA 541-A, relative to
18 the following:

19 (a) Instituting a grant application process, including necessary forms and deadlines.

20 (b) Establishing academic and other standards by which grants shall be awarded.

21 (c) Establishing priorities in awarding grants where the funds available for grants are
22 less than the amount needed for eligible applicants.

23 (d) Establishing procedures for awarding and disbursing grants.

24 3 New Subparagraph; Application of Receipts; John and Molly Stark Student Debt Reduction
25 Fund. Amend RSA 6:12, I(b) by inserting after subparagraph (333) the following new
26 subparagraph:

27 (334) Moneys deposited in the John and Molly Stark student debt reduction fund
28 established in RSA 21-N:8-c.

29 4 Appropriation. The sum of \$600,000 for the fiscal year ending June 30, 2018 and the sum of
30 \$600,000 for the fiscal year ending June 30, 2019 are hereby appropriated to the higher education
31 commission for the purposes of the John and Molly Stark student debt reduction program
32 established in RSA 21-N:8-c. The governor is authorized to draw a warrant for said sums out of any
33 money in the treasury not otherwise appropriated.

34 5 Effective Date. This act shall take effect July 1, 2017.

**HB 603-FN-A- FISCAL NOTE
AS INTRODUCED**

AN ACT establishing the John and Molly Stark student debt reduction program and making an appropriation therefor.

FISCAL IMPACT: ☒ State ☐ County ☐ Local ☐ None

STATE:	Estimated Increase / (Decrease)			
	FY 2018	FY 2019	FY 2020	FY 2021
Appropriation	\$600,000	\$600,000	\$0	\$0
Revenue	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Expenditures	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Funding Source:	<input checked="" type="checkbox"/> General <input type="checkbox"/> Education <input type="checkbox"/> Highway <input checked="" type="checkbox"/> John and Molly Stark Student Debt Reduction Fund			

METHODOLOGY:

This bill establishes the John and Molly Stark student debt reduction program, to be administered by the Higher Education Commission, and is intended to provide grants to qualifying New Hampshire high school graduates or equivalency certificate holders pursuing a degree at any institution in the University System of New Hampshire and also provides additional support to those pursuing a science, technology, engineering, or mathematics (STEM) degree. This bill also establishes a dedicated fund for the program where funds from any public or private grants, gifts, or donations may be accepted into the fund. It is assumed any costs to administer the program will be a charge against the fund. The Department of Education estimates development and approval of administrative rules would occur in FY 2018 with the program becoming operational in FY 2019. The Department further states it does not have the resources to develop the required rules and expects it would contract for such services at an estimated cost of \$50,000. Additionally, the Department states in FY 2019 and each year thereafter, depending on the rules ultimately developed, it may require up to three full-time employees to manage the program. This bill makes a general fund appropriation of \$600,000 in FY 2018 and \$600,000 in FY 2019 for this program.

AGENCIES CONTACTED:

Department of Education