

Student Debt Relief Program Summary

WHAT ISSUE IS THIS ADDRESSING:

Current workforce shortages. Immediate need for new workforce for open positions in New Hampshire. This program will create an immediate incentive to fill positions and is designed to provide relief to those that have recently completed their education or are about to graduate.

WHO WOULD BE ELIGIBLE:

Anyone with education or training debt who takes a new position in New Hampshire and agrees to hold that position for four years. Of this \$15 million fund, the first \$10 million of the program is specifically focused on individuals whose 2021 income was 80% of area median income or less, setting a goal of \$3 million to be focused on health care industry jobs. The second \$5 million will focus on graduating individuals in spring 2022.

PROGRAM HIGHLIGHTS:

To be eligible, any program participant must agree to stay employed with a New Hampshire employer for four years. The program will directly reimburse debt-holders a percentage of the approved award (up to \$20,000 in total) once they have reached certain benchmarks, reaching 100% of the award at the end of fourth year. The NH Business Finance Authority would administer the program at a cost of up to \$500,000 per year.

WHEN WILL THIS PROGRAM BE AVAILABLE:

Early 2022.

HOW THIS FITS GOFERR STRATEGY:

The workforce shortage in New Hampshire is limiting economic expansion. Early retirements and an aging labor force demand a focus on new workers filling vacant positions. This program seeks to immediately impact that by creating an incentive for any trained worker to receive reimbursement for their training in exchange for taking a position with a New Hampshire employer. The State's economic recovery plan specifically calls out student debt relief as a policy tool to address both of these issues.

HOW DID GOFERR ARRIVE AT FUNDING LEVEL:

GOFERR worked with BFA on previous iterations and calculations for this type of program and seeks to provide debt relief to between 1,000 and 1,500 individuals with this program. At an average estimated cost of \$15-20,000 per individual, we estimate the necessary funding for this program to be \$15,000,000.

Add administrative costs and indirect cost calculations and that rounds out the total of approximately \$17,000,000 over four years.