

HB 643-FN – AS INTRODUCED

2013 SESSION

13-0707
04/10

HOUSE BILL **643-FN**

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

SPONSORS: Rep. Kurk, Hills 2

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 2-year or 4-year degree in a STEM field at a public postsecondary educational institution in 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 struck through~~].
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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1 III. Applicants selected to receive a scholarship under this program shall complete an
2 internship requirement in a STEM field as provided by the university system of New Hampshire
3 board of trustees and shall agree to work in New Hampshire after graduation in a STEM field for at
4 least 5 years.

5 200-N:3 STEM Scholars Fund Established. There is hereby established in the office of the state
6 treasurer a fund to be known as the STEM scholars fund. The fund shall include any sums
7 appropriated for such purpose. In addition, the university system of New Hampshire board of
8 trustees may accept public sector and private sector grants, gifts, or donations of any kind for the
9 purpose of funding the provisions of this chapter. The moneys in this fund shall be nonlapsing and
10 shall be continually appropriated to the higher education commission. The fund may be expended by
11 the university system of New Hampshire board of trustees to award partial scholarships to selected
12 students pursuing studies in a STEM field in accordance with this chapter. The state treasurer may
13 invest moneys in the fund as provided by law, with interest received on such investment credited to
14 the fund.

15 200-N:4 Rulemaking. The university system board of trustees shall adopt rules, pursuant to
16 RSA 541-A, relative to the following:

17 I. Establishing a definition of the specific disciplines in science, technology, engineering, and
18 mathematics that constitute acceptable STEM fields and a definition of the specific types of
19 employment that would qualify as STEM employment.

20 II. Instituting a scholarship application process, which includes but is not limited to
21 requiring that all applicants complete a formal scholarship application on appropriate forms to be
22 developed by the board of trustees and time frames for the application process.

23 III. Procedures for awarding and disbursing scholarships.

24 IV. Procedures for determining the amount of funds available to provide annual
25 scholarships.

26 V. Establishing a procedure requiring students accepting a scholarship under this program
27 to sign an agreement to work in New Hampshire after graduation in a STEM field for a minimum of
28 5 years. Such agreement shall clearly set forth the terms of the 5-year commitment and the
29 repayment obligation incurred by the student if the 5-year commitment is not fulfilled.

30 VI. A procedure for tracking students in the program and for tracking graduates of the
31 program to ensure the conditions of the program are fulfilled.

32 VII. Rules establishing the terms of the repayment obligation if the student fails to work in
33 New Hampshire for the required 5 years

34 VIII. Any other issue which the board deems relevant to the implementation and
35 administration of the scholarship program.

36 3 New Subparagraph; Application of Receipts; STEM Scholars Fund. Amend RSA 6:12, I(b) by
37 inserting after subparagraph (310) the following new subparagraph:

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- 1 (311) Moneys deposited in the STEM scholars fund established in RSA 200-N:3.
2 4 Effective Date. This act shall take effect 60 days after its passage.

HB 643 FISCAL NOTE

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

FISCAL IMPACT:

The University System of New Hampshire and the Community College System of New Hampshire state this bill, **as introduced**, may increase state restricted revenue and expenditures by an indeterminable amount in FY 2014 and each year thereafter. There will be no fiscal impact on county and local revenue and expenditures.

METHODOLOGY:

This bill establishes a scholarship program for students pursuing either a two- or four-year degree in a science, technology, engineering, or mathematics (STEM) field at a public postsecondary institution in the state of New Hampshire. The scholarship will be equal to 75 percent of applicable tuition and academic fees at an institution within the University System of New Hampshire, and 100 percent of applicable tuition and academic fees at an institution within the Community College System of New Hampshire. In order to be eligible for the scholarship, a student must be attending a public or private high school in New Hampshire and have family income less than 200 percent of the state median family income. In addition, the student must complete an internship requirement in a STEM field, and commit to working in New Hampshire in a STEM field for a minimum of five years after graduation. The scholarship is for a maximum of four academic years. The bill states the program shall be administered by the University System of New Hampshire, and establishes a STEM scholars fund which shall include any sums appropriated for such purpose. In addition, the University System board of trustees may accept grants, gifts, and donations for the purpose of funding the bill's provisions. The bill itself does not contain an appropriation.

The System states that it is difficult to estimate the costs of the program because the following elements cannot be accurately forecasted:

- the number of eligible students interested in committing to work in NH for at least five years immediately after graduation;
- the number of students who will not be able to follow through on the five-year employment commitment, due to insufficient job openings or some other factor;

- the actual recovery of scholarship money distributed to students who leave a degree program before graduation, or fail to meet the five-year employment commitment;
- the cost and feasibility of providing internships to all participating students; and
- the cost of administering the program, particularly the post-graduation monitoring of graduates and recovery efforts directed at non-compliant participants.

With the above caveats in mind, the System makes the following assumptions when estimating the bill’s fiscal impact. The System assumes:

- the bill applies only to first-time, full-time freshman attending a New Hampshire high school, and not to existing USNH students, part-time students, or transfer students;
- the phrase “any student attending a public or private high school in New Hampshire” means any student currently enrolled in such a school;
- there will be no attrition or transfer out of the program during the maximum four years of program eligibility;
- administrative costs of monitoring the five-year residency requirement will not be incurred until 2018 and so are beyond the scope of this fiscal note;
- there will be ten percent annual growth in participation;
- any funds to be recovered for early withdrawal or non-compliance with the five-year employment requirement will be the liability of the student and not the University System; and
- estimated weighted average FY 2013 in-state tuition and fees for STEM program participants, across all University System institutions, equals \$14,000. Tuition will remain unchanged in FY 2014 and FY 2015, and will rise by three percent to \$14,420 in FY 2016, and by another three percent to \$14,853 in FY 2017.

The System states that during FY 2013, there were 420 first-time, full-time, two- and four-year STEM program students within the University System meeting the criteria specified by the bill. Applying the ten percent annual growth rate mentioned above, and assuming all eligible students are granted a scholarship, the System projects the bill will result in the following scholarship costs beginning in FY 2014:

	FY 2014	FY 2015	FY 2016	FY 2017
Number of new students entering program	462	508	559	615
Cumulative number of students	462	970	1529	2144
Scholarship costs (annual tuition * 75 percent * cumulative # of students)	\$4,851,000	\$10,185,000	\$16,536,135	\$23,883,624

In addition, the System states that although it has not estimated the cost of administering the program, these costs may be substantial. The System assumes that any such costs will be covered by the funds appropriated by the state to run the program. The System further states it has not estimated the cost of the internship requirement, as it is unclear if the System will be able to provide a sufficient number of internships to meet the requirement.

The Community College System of New Hampshire states that with the availability of scholarships, the bill will likely increase the number of students who attend community colleges within the System, resulting in an increase in revenue. The System states the bill will likely increase tuition and fee revenue by an indeterminable amount beginning in FY 2014.