

HB 659-FN - AS INTRODUCED

2025 SESSION

25-0453

06/02

HOUSE BILL ***659-FN***

AN ACT establishing the New Hampshire college graduate retention incentive program.

SPONSORS: Rep. Manohar, Hills. 9

COMMITTEE: Education Funding

ANALYSIS

This bill establishes the New Hampshire college graduate retention incentive program with the purpose of retaining graduates from New Hampshire higher education institutions and incentivizing businesses to hire local graduates.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT establishing the New Hampshire college graduate retention incentive program.

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

1 1 New Subdivision; New Hampshire College Graduate Retention Incentive Program. Amend
2 RSA 12-O by inserting after section 76 the following new subdivision:

3 New Hampshire College Graduate Retention Incentive Program

4 12-O:77 Definitions. In this subdivision:

5 I. "Graduate" means an individual who has earned a degree or certificate from a New
6 Hampshire college, university, or technical school.

7 II. "Eligible high-need fields" means occupations in healthcare, childcare, elder care,
8 renewable energy, technical trades, science, technology, engineering, and mathematics (STEM)
9 fields, and education, as determined by the New Hampshire department of business and economic
10 affairs (DBEA).

11 III. "Participating Business" means a New Hampshire-based business employing New
12 Hampshire graduates in full-time positions.

13 IV. "Internship" means a structured work experience provided by a business to a student
14 currently enrolled in a New Hampshire higher education institution.

15 12-O:78 Student Loan Forgiveness Program.

16 I. The state shall provide up to \$5,000 annually in student loan forgiveness to eligible
17 graduates who:

18 (a) Are employed full-time in New Hampshire in an eligible high-need field.

19 (b) Commit to a minimum of 3 consecutive years of employment within the state.

20 II. The total forgiveness amount shall not exceed \$20,000 per individual.

21 III. The DBEA shall establish application procedures and verify eligibility.

22 IV. Funds will be disbursed directly to the loan servicer.

23 12-O:79 Graduation Incentive Rebate Program. Graduates who live and work in New
24 Hampshire shall be eligible for a \$1,000 annual cash rebate for up to 5 years.

25 I. To be eligible for the graduation incentive rebate program the graduate shall:

26 (a) Be employed full-time in New Hampshire; and

27 (b) Maintain residency within the state.

28 II. The DBEA shall process applications and disburse payments.

29 III. Verification of employment and residency shall occur annually.

30 12-O:80 Business Hiring Incentives.

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1 I. Participating businesses shall receive a \$500 rebate per hired New Hampshire graduate,
2 applied to the business enterprise tax (BET). Rebates are available for up to 2 years per hire.

3 II. The state shall reimburse participating businesses 50 percent of wages paid to interns
4 from New Hampshire institutions, up to \$5,000 per intern annually.

5 III. Priority shall be given to small- and medium-sized businesses.

6 12-O:81 New Hampshire College Graduate Retention Incentive Program Fund.

7 I. There is hereby established a fund to be known as the New Hampshire college graduate
8 retention incentive program fund. Any appropriations received shall be deposited in the fund.
9 Moneys in the fund and any interest earned on the fund shall be used for the purpose of encouraging
10 retention of college graduates in New Hampshire and shall not be used for any other purpose. The
11 commissioner of the department of business and economic affairs (DBEA) shall oversee expenditures
12 from the fund. The moneys in the fund shall be continually appropriated and nonlapsing.

13 II. In addition to any moneys appropriated, the New Hampshire college graduate retention
14 incentive program fund may consist of an annual appropriation, as determined by the general court,
15 to be awarded in accordance with rules adopted by the commissioner of the DBEA.

16 III. Fifteen percent of annual profits from the New Hampshire lottery shall be allocated to
17 the New Hampshire college graduate retention incentive program fund.

18 IV. The DBEA shall pursue federal funding opportunities, including grants under the
19 Workforce Innovation and Opportunity Act (WIOA).

20 V. Public-private partnerships and reallocation of unused workforce development funds
21 shall supplement program costs.

22 12-O:82 Reporting. The DBEA shall publish an annual report detailing program participation,
23 costs, and outcomes. A comprehensive review of program efficacy shall be conducted every 5 years
24 by the DBEA.

25 12-O:83 Rulemaking. The DBEA, in consultation with the New Hampshire lottery commission
26 and the department of revenue administration, shall have the authority to adopt rules, pursuant to
27 RSA 541-A, necessary for implementation of this subdivision.

28 2 New Subparagraph; Application of Receipts. Amend RSA 6:12, I(b) by inserting after
29 subparagraph (399) the following new subparagraph:

30 (400) Monies deposited in the college graduate retention incentive program fund
31 established under RSA 12-O:81.

32 3 Repeal. The following are repealed:

33 I. RSA 12-O:77 through 83, relative to the New Hampshire college graduate retention
34 incentive program.

35 II. RSA 6:12, I(b)(400), relative to the New Hampshire college graduate retention incentive
36 program fund.

37 4 Effective Date.

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- 1 I. Section 3 of this act shall take effect July 1, 2035.
- 2 II. The remainder of this act shall take effect July 1, 2025.

HB 659-FN- FISCAL NOTE
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AN ACT establishing the New Hampshire college graduate retention incentive program.

FISCAL IMPACT: This bill does not provide funding, nor does it authorize new positions.

Estimated State Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
Revenue	\$0	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease
<i>Revenue Fund(s)</i>	General Fund, Education Trust Fund, and Lottery Fund/Education Trust Fund - Lottery revenue is credited to the lottery fund, with net revenues after expenditures being credited to the state education trust fund.			
Expenditures*	\$0	Indeterminable Increase \$0 to \$4,500,000+ (Depending on program implementation)	Indeterminable Increase \$4,500,000+	Indeterminable Increase \$4,500,000+
<i>Funding Source(s)</i>	NH College Graduate Retention Incentive Program Fund			
Appropriations*	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

***Expenditure = Cost of bill**

***Appropriation = Authorized funding to cover cost of bill**

The Office of Legislative Budget Assistant is unable to provide a complete fiscal note for this bill, as introduced, as it is awaiting information from the Lottery Commission. The Commission was originally contacted on 1/2/25 for a fiscal note worksheet. When completed, a revised fiscal note will be forwarded to the House Clerk's Office

METHODOLOGY:

This bill establishes the New Hampshire College Graduate Retention Incentive Program within the Department of Business and Economic Affairs (DBEA) and is set to be repealed July 1, 2035. This bill has two major components to be funded by the State and a third component for Business Hiring Incentives.

1. The Student Loan forgiveness Program. The State shall provide up to \$5,000 annually (maximum \$20,000) in student loan forgiveness to graduates employed in eligible high-need fields (e.g., healthcare, STEM, education) for a minimum of 3 consecutive years.

The funds shall be disbursed directly to the loan servicer and the DBEA shall establish application procedures and verify eligibility.

2. The Graduate Incentive Rebate Program, which provides a \$1,000 annual cash rebate (for up to 5 years) to graduates who work and live in New Hampshire full-time. The DBEA is responsible for processing applications, verifying eligibility (employment and residency), and disbursing payments annually.
3. This bill offers \$500 rebates to participating businesses for hiring graduates, applied toward the Business Enterprise Tax (BET), for up to 2 years per hire. As well as, reimburses businesses for 50% of wages paid to interns from New Hampshire institutions, up to \$5,000 per intern annually, with priority given to small- and medium-sized businesses.

Additionally, this bill establishes the new Hampshire College Graduate Retention Incentive Program Fund. This fund is nonlapsing and continually appropriated to the Commissioner of the DBEA and is set to be repealed July 1, 2035. The funding sources for this fund are as follows:

- The General Court may allocate funds annually.
- 15% of annual profits from the New Hampshire Lottery will be allocated to the fund.
- Additional funding may come from partnerships and reallocated unused workforce development funds.

The fiscal impact on State expenditures is an indeterminable increase as the costs will vary based on participation rates and DBEA's capacity to fund and administer the programs. However, if you were to assume 500 graduates participated in the Student Loan Forgiveness Program, 1,000 graduates participated in the Graduation Incentive Rebates Program, and 200 internship annually for the Business Incentive reimbursement, the fiscal impact on expenditures would be as follows. This estimate is scalable.

Student Loan Forgiveness: Up to \$5,000 per eligible graduate annually (maximum \$20,000 per graduate).

- Assuming 500 graduates participate
- Annual Cost: 500 graduates × \$5,000 = \$2,500,000
- Over 4 years (maximum forgiveness duration): \$10,000,000

Graduation Incentive Rebates: Graduates living and working full-time in New Hampshire are eligible for a \$1,000 annual cash rebate for up to 5 years.

- Assuming 1,000 graduates participate
- Annual Cost: 1,000 graduates × \$1,000 = \$1,000,000
- Over 5 years (maximum rebate duration): \$5,000,000

Business Incentives: Businesses can receive a 50% reimbursement of wages paid to interns from New Hampshire institutions, up to \$5,000 per intern annually.

- Assuming 200 internships annually
- Annual Cost: 200 internships × \$5,000 = \$1,000,000
- Over 5 years: \$5,000,000

Administrative Costs: The Department of Business and Economic Affairs (DBEA) will incur costs to manage the program, including processing applications, verifying eligibility, and overseeing fund expenditures. The DBEA may also need additional positions to oversee and administer the program. This cost is indeterminable, until an estimate is received from the DBEA.

The total estimated fiscal impact on expenditures, not including the administrative cost of the DBEA, is estimated to be \$4,500,000 per a year.

This fiscal impact of revenues on this bill will be an indeterminable decrease on General Fund revenues and Education Trust Fund revenues due to the new Business incentive BET Credit. Although this bill redirects 15% of annual lottery profits to the New Hampshire College Graduate Retention Incentive Program Fund there may be a legal conflict as **under [Art.] 6-b of the New Hampshire Constitution, lottery revenues must be used exclusively for state aid to education.** If this reallocation is not permissible, the General Fund, federal grant, public-private partnerships or unused workforce development funds will be needed to cover this cost.

The Department of Revenue Administration (DRA) states this bill establishes the Business Hiring Incentive Program (BHIP), which provides a \$500 Business Enterprise Tax (BET) rebate for each eligible New Hampshire graduate hired by a participating business, available for up to two years per hire. The DRA assumes the Department of Business and Economic Affairs (DBEA) will administer the program, including determining eligibility and issuing rebates, but the bill lacks explicit clarity on this point. Additionally, the DRA assumes the rebates will function as a BET credit, not a direct reimbursement, though the language is ambiguous and may require clarification. The absence of a program cap further complicates the fiscal impact assessment, as it is unclear how many businesses and employees will qualify for the rebate.

The DRA anticipates an indeterminable reduction in state revenues due to decreased BET collections, partially offset by potential increases in Business Profits Tax (BPT) revenues. However, the BPT increase will not fully balance the BET reduction, as not all taxpayers have sufficient BPT liability to utilize the BET credit. The lack of clarity regarding program structure and participant eligibility makes it difficult to determine the overall fiscal impact on the General and Education Trust Funds.

AGENCIES CONTACTED:

Department of Business and Economic Affairs, Department of Revenue Administration, and Lottery Commission