



C.L. "BUTCH" OTTER
GOVERNOR

April 7, 2016

The Honorable Lawrence Denney
Secretary of State
State Capitol
Boise, ID 83702

Dear Mr. Secretary of State,

I hereby advise you that I am transmitting to you the following House Bills, which will be allowed to become law without my signature:

HB 477a and HB 645

as prescribed by the Constitution.

As you know, I strongly support scholarship programs to assist Idaho students in going on to postsecondary education. Access and affordability are essential in making progress toward the state's goal that 60 percent of our population ages 25-34 attain a postsecondary degree or certificate.

However, in order to meet that goal, we must do more to bring students into the higher education pipeline who are not likely to go on after high school or who have dropped out of a postsecondary program. That is why I proposed an adult completion scholarship this year. House Bill 477, while it rewards students who have taken the initiative to earn dual credit and advanced placement credit, incentivizes students who are already very likely to go on. Studies show students who take dual credit classes go-on at a higher rate than students that do not take dual credit courses. Those students are also highly likely to receive scholarships from our state higher education institutions.

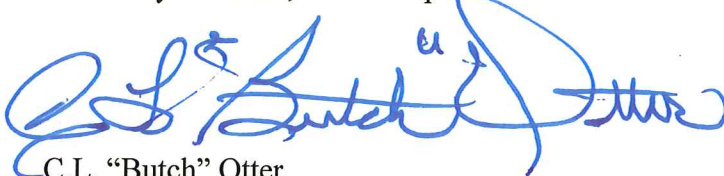
I realize the intent of this legislation was to use part of the \$6 million appropriation for advanced opportunities for high school students that was likely to be unspent in Fiscal Year 2017. However, with passage of House Bill 458, which consolidated the advanced opportunities programs and provided each student with an allocation of \$4,125 to use in grades 7-12, the \$6 million appropriation is not likely to be sufficient to absorb the costs of this new scholarship. While House Bill 645 provides for pass through funding from the advanced opportunities appropriation and spending authority for the State Board of Education, it is likely that additional moneys will be required from the public education stabilization fund, which is not intended to be used in this manner as set forth in § 33-907, Idaho Code.

In addition, the \$1 million cap in the first year and the \$2 million cap in year two may result in cases where eligible students do not receive a scholarship if the cap is reached. Even as amended with language to allow awards to be limited based on GPA, it is quite possible there will be students who meet all of the requirements and still not receive a scholarship.

Finally, this legislation did not include any funding for administrative costs even though there are a number of provisions that increase the administrative burden of implementing the program. These include verification of matching merit-based industry scholarships, verification of the number of a student's earned credits that will be accepted/transferred to a postsecondary institution, and ranking of eligible students based on GPA. In order to rank and award based on limited funds requires award notifications, tracking of award acceptance, and verification of continued eligibility based on credits earned each semester.

I encourage legislators to work with the State Board of Education to refine the requirements of this new program and monitor its implementation to ensure adequate funding is provided and that the program is supporting progress toward the 60 percent goal.

As Always – Idaho, “Esto Perpetua”



C.L. “Butch” Otter
Governor of Idaho

CLO/mlw

cc: Scott Bedke, Speaker of the House